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Controller.

Title:

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Place:

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Date:

1917

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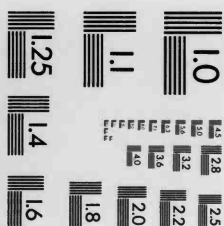
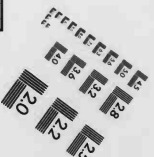
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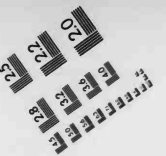
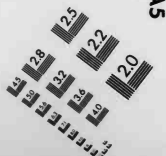


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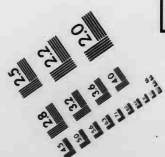
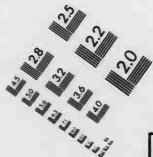
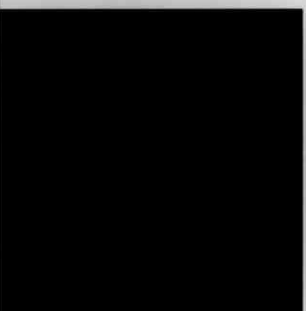
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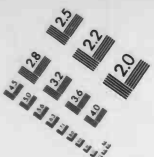


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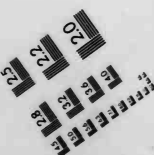
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MANUAL OF ACCOUNTING, REPORTING  
AND BUSINESS PROCEDURE

OF THE

CITY AND COUNTY OF PHILADELPHIA

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JOHN M. WALTON

CITY CONTROLLER

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MANUAL OF ACCOUNTING, REPORTING  
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MANUAL OF ACCOUNTING, REPORTING  
AND BUSINESS PROCEDURE

OF THE

CITY AND COUNTY OF PHILADELPHIA

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ISSUED BY THE CITY CONTROLLER  
IN CONFORMITY WITH  
EXISTING LAWS AND ORDINANCES

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JOHN M. WALTON  
CITY CONTROLLER

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PHILADELPHIA  
1917

MANUAL OF ACCOUNTING, FINANCIAL  
AND BUSINESS PROCEDURE

CITY AND COUNTY OF PHILADELPHIA

First Edition, 1913  
Second Edition, 1917

DUNLAP PRINTING COMPANY  
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EXCERPT FROM LETTER OF BANKERS

Relative to the beneficial effect upon the City's finances and credit  
of the asset and liability, revenues accrued, expenses  
incurred and fund system of accounting  
and reporting

"Philadelphia, January 27, 1912.

"HON. JOHN M. WALTON,  
"City Controller, Philadelphia.

"Dear Sir:—

"In the interest of efficient management of the business of the City, we desire to express  
our approval of the plan of accounting and reporting which is being installed by you as  
shown in your annual report and your August statement of estimates \* \* \*

"Intelligent direction of public as well as of private business requires that all pertinent  
facts be accurately, systematically, and promptly placed before the responsible officers, and  
before the public, whose support is essential to the success of a progressive administration.  
The new forms of statements \* \* \* provide admirably for the proper description, classifica-  
tion, and reporting of the financial and operative facts pertaining to the City government.  
These furnish what in private business would be regarded as the first essential of economical  
and efficient management.

"Carried into a uniform budget for all City departments, an expense classification such  
as that presented in the revised estimates would enable citizens and taxpayers, as well as  
public officials, to comprehend readily the purpose of each appropriation item, and to deter-  
mine the relative public importance of the several activities of the City. It would make possible,  
furthermore, the exercise of greater discretion on the part of councils in defining and limit-  
ing the amounts which the various departments may spend; on the part of the mayor in  
approving or disapproving items in the budget; and on the part of the controller in approv-  
ing or disapproving bills that come before him for audit.

"Very respectfully,

(Signed)

"E. W. CLARK, E. W. Clark & Co.,  
"W. W. FRAZIER, Philadelphia Trust Co.,  
"RICHARD M. HARTLEY, Land Title Co.,  
"ARTHUR E. NEWBOLD, Drexel & Co.,  
"C. S. W. PACKARD, The Pennsylvania Co.,  
"G. C. PURVES, Philadelphia Savings Fund,  
"CHAS. J. RHOADS, Girard Trust Co."



## FOREWORD

THERE was inaugurated by the city controller January 1, 1911, a complete system of double entry bookkeeping that produces current reports of financial condition, operating results and condition of funds, both in summary and in detail, for the city and county of Philadelphia. An inventory of city and county property was taken in 1910 by direction of the city controller, and proprietary, fund and summary consolidated balance sheets as of December 31, 1910, were included in the *City Controller's Annual Report* for that year.

The present volume is the second edition of the *Manual of Accounting, Reporting and Business Procedure of the City and County of Philadelphia*, the first edition of which was published December 29, 1913. While the text of the first edition has been completely revised, no changes have been made in the fundamental accounting principles laid down therein and made effective January 1, 1914, for the various departments and bureaus of the city and county government. The present edition contains illustrations of the forms essential to the successful operation of the asset and liability, revenues accrued and expenses incurred and fund system of accounting and reporting, whereas the original edition did not contain any forms. Reference was had in that edition to the blue book of forms entitled *Advance Sheets of Departmental Forms for the Asset and Liability, Revenue, Expense and Fund System of Accounting and Reporting*, issued by the city controller on December 16, 1912, and made effective January 1, 1913. The classification of expenditures was standardized with the publication March 31, 1914, of the *Object of Expenditure Classification*.

The procedure described in this manual for the several departments and bureaus is necessary in order that *their* accounts, in which the great bulk of the city's transactions are first reflected, may furnish the information required for the asset and liability, revenues accrued and expenses incurred and fund system of accounting and reporting.

The purpose of this manual is to prescribe a comprehensive and orderly method of accounting and reporting for the city and county of Philadelphia. It is designed to furnish, with respect to municipal business, the information regarded by bankers and business men as absolutely essential in the administration of private business. It is assumed that the interests of citizens are analogous to those of stockholders of private corporations; that public officials are trustees; and that the common interests of trustees and stockholders will best be promoted by a system of accounts and reports which reflects accurately all the important financial relations which affect those interests.

There is nothing novel in the accounting system here prescribed. Its terms are in common use in the financial statements of private enterprises. Nor is it revolutionary in its attitude toward older systems of governmental and municipal accounting. Its function is rather to round out and complete the older systems, which confined themselves almost exclusively to appropriation, expenditure, cash and debt statements. In prescribing for the city and county of Philadelphia an accounting system showing assets and liabilities, revenues

accrued and expenses incurred, appropriations and funds, my guiding purpose is to make available to councils, the mayor, the city controller and to other administrative and executive officers, current reports showing financial condition, operating results and condition of funds similar to those which are commonly available to the administrative heads of well managed private enterprises.

The activities of the city and county are diverse, including among its numerous functions farming, manufacturing, public service enterprises and the operation of hospitals and other institutions. I have had these conditions constantly in mind in preparing a system of accounting that would be practical in every way and that at the same time would be sufficiently comprehensive to tell currently a complete story of the financial transactions, work done and results accomplished in every activity of the city and county government.

JOHN M. WALTON,  
*City Controller.*

## TABLE OF CONTENTS

	PAGES
EXCERPT FROM LETTER OF BANKERS .....	v
FOREWORD .....	vii-viii
DIAGRAM SHOWING THE GENERAL PLAN OF THE ASSET AND LIABILITY, REVENUES ACCRUED, EXPENSES INCURRED AND FUND SYSTEM OF ACCOUNTING AND REPORTING .....	xiii
DIAGRAM OF ACCOUNTING SYSTEM AND MONTHLY GENERAL JOURNAL ENTRIES FOR AN OPERATING DEPARTMENT OR BUREAU .....	xiv
TABLE OF FORMS .....	xv-xvii

### CHAPTER I

GENERAL DESCRIPTION OF THE ASSET AND LIABILITY, REVENUES ACCRUED, EXPENSES INCURRED AND FUND SYSTEM OF ACCOUNTING AND REPORTING AND DEFINITIONS OF MODERN ACCOUNTING TERMS	
---	--

GENERAL METHOD OF OPERATION—PERMANENT RECORD OF EACH TRANSACTION—TWO ENTRIES FROM EACH DOCUMENT—CONTROL OVER THE ACCURACY OF ACCOUNTS AND REPORTS—UNIFORMITY OF TREATMENT OF SIMILAR ACCOUNTS—DEFINITIONS.....	1-6
--	-----

### CHAPTER II

#### DESCRIPTION AND USE OF DOCUMENTS

REQUISITION ON STOREKEEPER—REQUISITION ON CENTRAL OFFICE OF A DEPARTMENT OR BUREAU—REQUISITION ON DEPARTMENT OF SUPPLIES—REQUISITION ON ANOTHER DEPARTMENT OR BUREAU—CONTRACT ORDERS—OPEN MARKET ORDERS—REGULARLY- RENDERED INVOICES—MEMORANDUM INVOICES—INTERDEPARTMENTAL INVOICES— CREDIT MEMORANDA—EXPENDITURE VOUCHERS—CONTRACT VOUCHERS—OPEN MARKET ORDER VOUCHERS—PAYROLL AND MISCELLANEOUS VOUCHERS—REVENUE AND RECEIPT DOCUMENTS—ADVISES OF VOUCHER ADJUSTMENT .....	7-33
--	------

### CHAPTER III

#### MECHANICAL TABULATION

CODES—CARDS—PUNCHING—SORTING—TABULATING—PRINTING—ANALYSIS OF EXPENSES INCURRED, PROPERTY ACQUIRED AND OTHER EXPENDITURES BY MECHANICAL PROCESS	34-37
---	-------

### CHAPTER IV

#### CLASSIFICATION OF EXPENDITURES

ORGANIZATION UNITS—FUNCTIONS—CHARACTERS OF EXPENDITURE—SECONDARY CLASSI- FICATION OF CERTAIN EXPENDITURES BY CHARACTER—OBJECTS OF EXPENDITURE— FUNDS—RECONCILIATION OF EXPENDITURES .....	38-53
---	-------

## CHAPTER V

## CLASSIFICATION OF INCOME

ORGANIZATION UNITS—FUNCTIONS—CHARACTERS OF INCOME—SOURCE—FUNDS—RECONCILIATION OF INCOME.....	54-62
--	-------

## CHAPTER VI

## DESCRIPTION AND USE OF REGISTERS AND SCHEDULES OF DOCUMENTS

REGISTER AND SCHEDULE OF CONTRACTS—REGISTER AND SCHEDULE OF ORDERS, CONTRACT AND OPEN MARKET—REGISTER AND SCHEDULE OF INVOICES AND PAYROLLS—REGISTER AND SCHEDULE OF INVOICES SENT TO DEPARTMENT OF SUPPLIES—REGISTER AND SCHEDULE OF VOUCHERS SENT TO CITY CONTROLLER—REGISTER AND SCHEDULE OF REDUCTIONS IN CONTRACT RESERVES—REGISTER AND SCHEDULE OF SERVICES RENDERED OTHER BUREAUS—REGISTER AND SCHEDULE OF SERVICES RECEIVED FROM OTHER BUREAUS—MONTHLY REPORT OF STORES ISSUED FROM STOREHOUSE (WITH COPY FOR CITY CONTROLLER)—REGISTER AND SCHEDULE OF RESERVES FOR REPAIRS AND DEPRECIATION—REGISTER AND SCHEDULE OF REVENUE ACCRUALS—REGISTER AND SCHEDULE OF INCOME (ACCOUNTS RECEIVABLE)—REGISTER AND SCHEDULE OF CASH TRANSACTIONS.....	63-97
---	-------

## CHAPTER VII

## DESCRIPTION AND USE OF DETAIL LEDGERS

APPROPRIATION LEDGERS—CONTRACT LEDGERS—CLAIMANTS' LEDGER—EXPENSE LEDGER—STORES LEDGER—WORK IN PROGRESS LEDGER—PROPERTY LEDGER—RESERVE FOR REPAIRS AND DEPRECIATION LEDGER—CASH LEDGER—REVENUE LEDGER—ACCOUNTS RECEIVABLE LEDGER.....	98-116
--	--------

## CHAPTER VIII

## DESCRIPTION AND USE OF GENERAL JOURNAL AND GENERAL JOURNAL ENTRIES

DOUBLE ENTRY BOOKKEEPING—GENERAL JOURNAL AND GENERAL JOURNAL ENTRIES—STANDARD OUTLINE MONTHLY GENERAL JOURNAL ENTRIES FOR AN OPERATING DEPARTMENT OR BUREAU—DEPARTMENT OF SUPPLIES—STANDARD OUTLINE GENERAL JOURNAL ENTRIES FOR OPENING NEW SET OF BOOKS—FOR CLOSING AT END OF AN ACCOUNTING PERIOD—OPENING GENERAL JOURNAL ENTRIES, JANUARY 1, 19.....	117-128
---	---------

## CHAPTER IX

## DESCRIPTION AND USE OF THE GENERAL LEDGER

PROPRIETARY ACCOUNTS—DEBIT ACCOUNTS—CREDIT ACCOUNTS—GENERAL, LOAN AND SPECIAL AND TRUST ACCOUNTS—FUND ACCOUNTS—DEBIT ACCOUNTS—CREDIT ACCOUNTS—GENERAL, LOAN AND SPECIAL AND TRUST FUNDS—NATURE OF DEBITS AND CREDITS TO PROPRIETARY AND FUND ACCOUNTS.....	129-136
--	---------

## CHAPTER X

## DESCRIPTION AND USE OF MONTHLY REPORTS FROM DETAIL LEDGERS

MONTHLY APPROPRIATION STATEMENT—MONTHLY CONTRACT STATEMENT—MONTHLY OPEN MARKET ORDER STATEMENT—MONTHLY COMPARATIVE STORES STATEMENT—MONTHLY STATEMENT OF EXPENSES INCURRED—MONTHLY WORK IN PROGRESS STATEMENT—MONTHLY STATEMENT OF PERMANENT PROPERTIES AND EQUIPMENT—MONTHLY RESERVE FOR REPAIRS STATEMENT—MONTHLY DEPRECIATION STATEMENT—MONTHLY REVENUE STATEMENT—MONTHLY CASH STATEMENT.....	137-152
--	---------

## CHAPTER XI

## DESCRIPTION AND USE OF SUMMARY REPORTS FROM THE GENERAL LEDGER

BALANCE SHEETS AND OPERATION ACCOUNTS—TRIAL BALANCES—CHECKS ON ACCURACY OF MONTHLY TRIAL BALANCE—FORMS FOR SUMMARY REPORTS.....	153-163
---	---------

## CHAPTER XII

## A MUNICIPAL FINANCIAL PROGRAM—BUDGET-MAKING

MUNICIPAL FINANCIAL PROGRAM—MUNICIPAL BUDGET—PREPARATION OF THE ANNUAL ESTIMATES—DESCRIPTION AND USE OF FORMS—EXPLANATION OF TERMS USED IN THE BUDGET.....	164-186
--	---------

## CHAPTER XIII

## INVENTORIES AND TRANSFERS OF PROPERTY

INVENTORIES—INVENTORIES OF PROPERTY—RESERVES FOR DEPRECIATION AND REPAIRS—FORM FOR INVENTORY OF LAND, STRUCTURES AND OTHER IMPROVEMENTS—FORM FOR INVENTORY OF EQUIPMENT (INCLUDING LIVESTOCK)—TRANSFERS OF PROPERTY—FORM FOR RECORD OF TRANSFER OF EQUIPMENT (INCLUDING LIVESTOCK)—FORM FOR RECORD OF TRANSFER OF STORES.....	187-197
---	---------

## CHAPTER XIV

## ORGANIZATION UNITS, FUNCTIONS AND ACTIVITIES

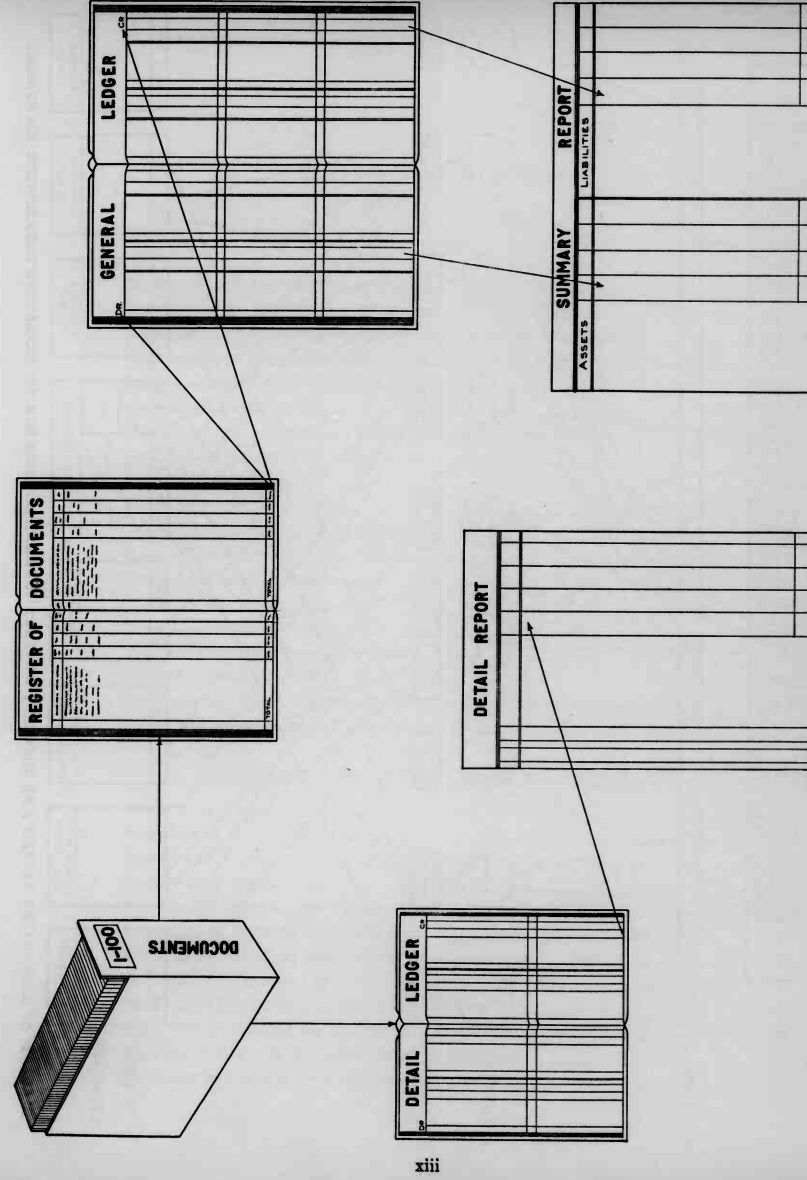
ORGANIZATION UNITS, FUNCTIONS AND ACTIVITIES OF THE CITY AND COUNTY OF PHILADELPHIA—DETAIL EXPLANATION OF THE FUNCTIONAL CLASSIFICATION.....	198-203
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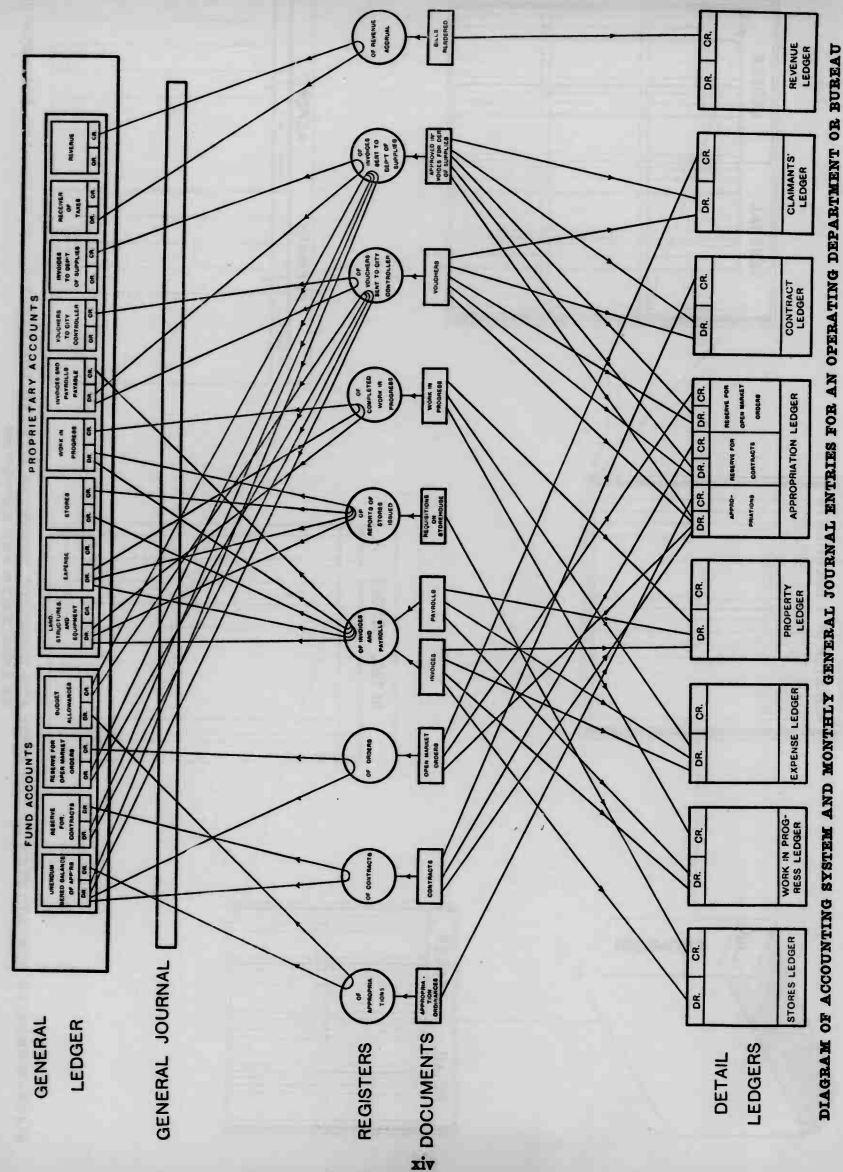
## CHAPTER XV

## RATES OF DEPRECIATION

PERCENTAGES OF DEPRECIATION ON EQUIPMENT AND STRUCTURES IN ACCORDANCE WITH KIND OF PROPERTY CLASSIFICATION.....	204-210
---	---------

INDEX.....	213
------------	-----





## TABLE OF FORMS

FORM NO.	DOCUMENTS	PAGE
1.	REQUISITION ON DEPARTMENT OF SUPPLIES—ORIGINAL	16
1A.	REQUISITION ON DEPARTMENT OF SUPPLIES—REQUISITIONER	17
1B.	REQUISITION ON DEPARTMENT OF SUPPLIES—COST DIVISION FILE	18
1C.	REQUISITION ON DEPARTMENT OF SUPPLIES—COST DIVISION TICKLER	19
2.	ORDER—ORIGINAL SENT TO CONTRACTOR	20
2A.	ORDER—CONTRACTOR'S COPY	21
2B.	ORDER—ACKNOWLEDGMENT BY CONTRACTOR OF RECEIPT OF ORDER	22
2C.	ORDER—CITY CONTROLLER'S COPY	23
2D.	ORDER—OFFICE COPY	24
2E.	ORDER—ADVICE TO CONSIGNEE	25
2E.	ORDER—ADVICE TO CONSIGNEE (BACK)	26
2F.	ORDER—CONSIGNEE'S OFFICE COPY	27
2G.	ORDER—INSPECTOR'S OFFICE COPY	28
3.	CONTRACT VOUCHER	29
3A.	OPEN MARKET ORDER VOUCHER	30
3B.	PAYROLL AND MISCELLANEOUS VOUCHER	31
3C.	VOUCHER—INSIDE DESIGN	32
4.	ADVICE OF VOUCHER ADJUSTMENT BY CITY CONTROLLER—ORIGINAL	33
5.	CARD USED IN MECHANICAL TABULATION	35
REGISTERS AND SCHEDULES OF DOCUMENTS		
6.	REGISTER OF CONTRACTS	78
6A.	SCHEDULE OF CONTRACTS	79
7.	REGISTER OF ORDERS	80
7A.	SCHEDULE OF ORDERS	80
8.	REGISTER OF INVOICES AND PAYROLLS	81
8A.	SCHEDULE OF INVOICES AND PAYROLLS	81
9.	REGISTER OF VOUCHERS SENT TO CITY CONTROLLER	82
9A.	SCHEDULE OF VOUCHERS SENT TO CITY CONTROLLER	82
10.	REGISTER OF REDUCTIONS IN CONTRACT RESERVES	83
10A.	SCHEDULE OF REDUCTIONS IN CONTRACT RESERVES	84
11.	REGISTER OF SERVICES RENDERED OTHER BUREAUS	85
11A.	SCHEDULE OF SERVICES RENDERED OTHER BUREAUS	86

FORM NO.	REGISTERS AND SCHEDULES OF DOCUMENTS— <i>Concluded</i>	PAGE
12.	REGISTER OF SERVICES RECEIVED FROM OTHER BUREAUS .....	87
12A.	SCHEDULE OF SERVICES RECEIVED FROM OTHER BUREAUS .....	88
13.	MONTHLY REPORT OF STORES ISSUED AND RETURNED .....	89
14.	REGISTER OF RESERVES FOR REPAIRS AND DEPRECIATION .....	90
14A.	SCHEDULE OF RESERVES FOR REPAIRS AND DEPRECIATION .....	91
15.	REGISTER OF REVENUE ACCRUALS .....	92
15A.	SCHEDULE OF REVENUE ACCRUALS .....	93
16.	REGISTER OF INCOME (ACCOUNTS RECEIVABLE) .....	94
16A.	SCHEDULE OF INCOME (ACCOUNTS RECEIVABLE) .....	95
17.	REGISTER OF CASH TRANSACTIONS .....	96
17A.	SCHEDULE OF CASH TRANSACTIONS .....	97
DETAIL LEDGERS		
18.	APPROPRIATION LEDGER .....	111
18A.	APPROPRIATION LEDGER—EXPENDITURE RULING .....	111
19.	CONTRACT LEDGER—FACE OF SHEET .....	112
19A.	CONTRACT LEDGER—REVERSE SIDE .....	112
20.	CLAIMANTS' LEDGER .....	113
21.	EXPENSE LEDGER .....	114
22.	STORES LEDGER—CARD .....	115
23.	PROPERTY LEDGER .....	116
MONTHLY REPORTS		
25.	MONTHLY APPROPRIATION STATEMENT .....	142
26.	MONTHLY CONTRACT STATEMENT .....	143
27.	MONTHLY OPEN MARKET ORDER STATEMENT .....	144
28.	MONTHLY COMPARATIVE STORES STATEMENT .....	145
29.	MONTHLY STATEMENT OF EXPENSES INCURRED .....	146
30.	MONTHLY WORK IN PROGRESS STATEMENT .....	147
31.	MONTHLY STATEMENT OF PERMANENT PROPERTIES AND EQUIPMENT .....	148
32.	MONTHLY RESERVE FOR DEPRECIATION STATEMENT .....	149
33.	MONTHLY RESERVE FOR REPAIRS STATEMENT .....	150
34.	MONTHLY REVENUE STATEMENT .....	151
35.	MONTHLY STATEMENT OF CASH TRANSACTIONS .....	152
SUMMARY REPORTS		
36.	SUMMARY CONSOLIDATED BALANCE SHEET .....	155
37.	GENERAL ACCOUNT BALANCE SHEET, OPERATION ACCOUNT AND INVESTMENT OF THE CITY .....	156-157
38.	CAPITAL ACCOUNT BALANCE SHEET .....	158-159
39.	SPECIAL AND TRUST ACCOUNT BALANCE SHEET .....	160-161
40.	COMPARATIVE FUND BALANCE SHEET .....	162-163

FORM NO.	BUDGET FORMS	PAGE
41.	No. 1—RECAPITULATIONS—GENERAL AND LOAN FUNDS .....	170-171
42.	No. 2—DIRECT EXPENSE AND MISCELLANEOUS .....	172-173
43.	No. 3—REPAIRS AND NET STORES BALANCES .....	174-175
44.	No. 4—REPLACEMENTS AND PROPERTY ACQUISITIONS .....	176-177
45.	No. 5—SALARY SUPPORTING SCHEDULE .....	178-179
46.	No. 6—DEPARTMENT OF SUPPLIES—RECAPITULATIONS GENERAL AND LOAN FUNDS .....	180-181
47.	No. 7—DEPARTMENT OF SUPPLIES—DIRECT COST OF SERVICE AND NET STORES .....	182-183
48.	No. 8—DEPARTMENT OF SUPPLIES—REPAIRS, REPLACEMENTS AND PROPERTY ACQUISITIONS .....	184-185
49.	No. 9—SPECIAL AND TRUST FUNDS .....	186

## INVENTORY FORMS

50.	No. 1—INVENTORY OF LAND, STRUCTURES AND OTHER IMPROVEMENTS .....	195
51.	No. 2—INVENTORY OF EQUIPMENT (INCLUDING LIVESTOCK) .....	195
52.	No. 3—RECORD OF TRANSFER OF EQUIPMENT (INCLUDING LIVESTOCK) .....	196
53.	No. 4—RECORD OF TRANSFER OF STORES .....	197

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In having forms designed for use in the typewriter consideration should be given to size of the carriage of the machine and the proper margins provided on the forms to suit.

# MANUAL OF ACCOUNTING, REPORTING AND BUSINESS PROCEDURE

## CHAPTER I

### GENERAL DESCRIPTION OF ASSET AND LIABILITY, REVENUES ACCRUED AND EXPENSES INCURRED AND FUND SYSTEM OF ACCOUNTING AND REPORT- ING AND DEFINITIONS OF MODERN ACCOUNTING TERMS

The purpose of the asset and liability, revenues accrued, expenses incurred and fund system of municipal accounting and reporting is to enable the city controller and other executives regularly and promptly to obtain the information needed for the effective performance of their duties. It simplifies administrative methods and procedure by placing the accounts and reports of each department and bureau on a uniform basis. The records required consist of six classes, as follows:

1. Files of documents containing the original evidence of each transaction.
2. Registers and schedules for each class of documents.
3. Detail ledgers for keeping each general class of accounts.
4. General ledger containing summary accounts.
5. Detail reports—schedules of balances and totals—from detail ledgers.
6. Summary reports—balance sheets and operation accounts—taken from the general ledger.

The accounts and reports are grouped or classified as follows:

1. PROPRIETARY ACCOUNTS
  - a. General account—current assets and liabilities, revenues and expenses.
  - b. Capital account—the municipal plant and long term debt.
  - c. Special and trust accounts—assets set aside and liabilities incurred for special purposes and for beneficiaries.
2. FUND ACCOUNTS
  - a. General fund—appropriations of general funds and resources available to meet them.
  - b. Loan funds—funding provisions financed by borrowing.
  - c. Special and trust funds—special and trust appropriations and resources.

### GENERAL METHOD OF OPERATION

The general method of operating the system is the same for each department and bureau, whether applied to expenditures or revenues and receipts. The accounts as kept by each of the operating departments and bureaus show in summary form as well as in detail analysis:

1. The proprietary relations—that is the assets, the liabilities and reserves, and the net current assets as well as net investment of the city;
2. The operating results—that is the revenues accrued, the expenses incurred and the excess of the one over the other; and
3. The funding relations—that is the authorizations to incur liabilities and spend money and the character and condition of the funded resources available to meet them.



The proprietary relations and the operation accounts of the city are substantially the same as the similar accounts which are found in private business accounting.

The fund accounts are peculiar to municipal accounting, although they are coming to be adopted by private corporations. They are segregated and kept in a distinct group of accounts because of the necessity of showing separately from the assets and liabilities the authorizations to incur liabilities (appropriations) and certain contingent liabilities—which are incurred as a result of the authorizations, viz.: Contracts entered into and open market orders issued. An appropriation is not only an authorization to the treasurer to disburse and an authorization to the department head to "draw," but it is also an authorization to incur liabilities for the specific purpose of the appropriation. Unless the contracts entered into and the open market orders issued are charged against the unencumbered balance of appropriations, it is impossible to ascertain the amount of appropriations free from encumbrances, or unencumbered. It will be noted that proprietary accounts are not affected by these transactions and will not be until the liabilities become actual in nature by the receipt of goods or services.

In the general ledger of a department or bureau the balancing fund account on the debit side to the fund accounts above discussed is "budget allowance" account. The balance of this account represents the unexpended balances of appropriations.

The accounts of the department of supplies, as the city's purchasing agent, are somewhat different from those of the operating departments and bureaus. They deal very largely with unexpended balances of appropriations for supplies for all departments; and with contracts, open market orders, and other encumbrances against them. They have little or nothing to do with proprietary accounts, except as dealing with its own assets, its own liabilities and reserves, revenues accrued and expenses incurred, the same as other departments.

The principal features of the asset and liability, revenues accrued, expenses incurred and fund system of accounting and reporting are:

#### 1. PERMANENT RECORD OF EACH TRANSACTION

Each document must contain such information and must bear such signatures and verifications as to make it an original entry and the best evidence which may be produced to prove just what each transaction was, and definitely to locate personal responsibility for each step in the transaction from its beginning to its consummation.

Each file of original documents constitutes a complete record of all transactions of the class.

#### 2. TWO ENTRIES MADE FROM EACH DOCUMENT

As a means of protecting the city against loss of original evidence, and for the purpose of fulfilling all accounting requirements, not less than two entries are made in the books of record from each document. The first entry is made from the original document or schedule of documents in a register which serves as a numerical index to the original files, as well as a secondary record of all the essential facts contained on the original document. Being classified according to classes of documents, each register also serves the same accounting purpose as a journal or other book of original entry by means of which detail ledger postings may be proved. The second entry is made from the original document which has been registered, or from a copy or schedule thereof, in a detail or subsidiary ledger account.

Both the registration and the detail ledger entry thereby become original entries of the information contained in a document, and as these entries are made independently, there is no chance for copying an error in registration or posting from one book to another.

In case there is more than one detail ledger affected by the transaction, as many entries are made as there are different detail or subsidiary ledger accounts affected.

For example, an open market order is entered as an encumbrance against a specified account in the appropriation ledger and in a specified account under the name of the vendor in the claimant's ledger; a contract order is entered against a specified account under the name

of the contractor in the contract ledger but not in the appropriation ledger for the reason that the encumbrance is set up from the original contract at the time of its execution and not from the order, as is the case with open market orders.

#### 3. CONTROL OVER THE ACCURACY OF ACCOUNTS AND REPORTS

The totaling of the registers and the posting of the totals to a general ledger through the medium of a general journal, are to be done at the end of each month, or as often as may be found desirable to prove the accuracy of postings to the detail or subsidiary ledgers. The general ledger accounts, therefore, serve a double purpose:

- a. They furnish a complete summary of all transactions for the period;
- b. The trial balance of the general ledger gives to administrative and controlling officers balances or totals to which the accuracy of all the schedules of balances and totals of the subsidiary ledgers may be proved.

Control over the accuracy of the books should therefore be complete with respect to every detail of the accounts, as well as the mathematical accuracy of every item contained in both the summary and detailed accounts.

#### 4. UNIFORMITY OF TREATMENT TO SIMILAR ACCOUNTS

The required forms of records give uniformity of treatment to similar accounts in each of the departments, bureaus and offices of the city. The documents and books so far as possible are made self-explanatory, the forms and columns all bearing captions and instructions, the purpose of which is to identify the forms and to give certainty to the procedure of those whose duty it is to keep them.

The only part of this system which requires considerable knowledge of accounting is the general journal and the general ledger—the instruments by means of which control over the accuracy and completeness of detail accounts and reports is secured. While of necessity the theory of these summary accounts must be technical and exacting in order to serve as an instrument of precision in the hands of the central controlling officer of the city, no doubt or question is left for the bookkeeper, as the whole practice is charted and each action to be taken is prescribed.

The classification established for the general ledger accounts has been defined after careful consideration of the question: What is the most summary statement of facts needed by officers in the administration of the city's business? In establishing the classification of detail accounts, the aim has been to furnish information in any detail which may be desired about any item in the summary statements of account.

#### DEFINITIONS OF MODERN ACCOUNTING TERMS

These definitions are here given that there may be no doubt as to the meaning attached to the accounting terms used in this manual.

**ACCOUNTS PAYABLE**—Unpaid balances due creditors not evidenced by notes, bonds or other certificates of indebtedness.

**ACCOUNTS RECEIVABLE**—Claims due to the city.

**ADJUSTMENTS**—The amount added to or taken from an account to affect a reconciliation.

**ADMINISTRATION EXPENSE**—Expenses incurred for direction and control, the cost of which is not directly distributable to operation, maintenance or the acquisition of permanent improvements.

**APPROPRIATION**—An authorization to incur liabilities and to expend money for a specific purpose.

**ASSESSMENT**—A special levy against property collectible from its owner to defray the cost of specified public improvements or services undertaken in the interest of the general public.



**ASSETS**—The property or wealth of the city, which is made the subject of accounting record.

**BALANCE SHEET**—A statement of assets and liabilities contrasted in such a manner as to show the excess of the one over the other, such excess representing either a surplus or a deficit.

**BUDGET ALLOWANCE**—An appropriation to a department or bureau.

**CAPITAL ACCOUNT**—Consists of capital assets, capital liabilities (see definitions of these terms), capital reserves and capital surplus.

**CAPITAL ASSETS**—Land, structures, non-structural improvements, equipment, accounts receivable to be applied to the reduction of debt and the unexpended proceeds of loans sold.

**CAPITAL LIABILITIES**—Long term indebtedness and other liabilities incurred in the acquisition of capital assets.

**CAPITAL OUTLAYS**—A term used to cover the cost of acquiring property, of paying debt, and of carrying stores and work in progress out of revenue moneys.

**CASH**—Money in hand and credit balances in depositories.

**CONTINGENT LIABILITIES**—Obligations in connection with which there are conditions which have to be fulfilled before they become actual liabilities.

**COUNTERSIGNMENTS**—Are the expenditure vouchers audited by the department of city controller and charged to their respective appropriation accounts in the appropriation ledgers of that department.

**CURRENT ASSETS**—Property of the city which may be used in the work of operation and maintenance, or funds to meet the cost thereof; or property which may be used to meet current liabilities.

**CURRENT LIABILITIES**—Current financial obligations incurred in the city's operation and maintenance, and loans made in anticipation of the collection of revenues.

**DEFICIENCIES**—The amounts by which appropriations and other authorizations to incur liabilities are over-encumbered.

**DEPRECIATION**—The loss in the cost value of property and equipment which cannot be offset by repairs. It is only offset by the acquisition of new property and equipment or parts to replace the wearing out or obsolescence of the old property and equipment. Depreciation is figured by classes of property and not by individual pieces. For the method of figuring depreciation see Chapter XIII, Inventories and Transfers of Property and Chapter XV, Rates of Depreciation.

**DEFICIT**—An excess of liabilities over assets. The opposite of a surplus.

**DISBURSEMENTS**—Cash expended for all purposes during a stated period.

**ENCUMBRANCES**—Amounts represented by contracts registered and open market orders issued which have been set aside from appropriations to meet these liabilities against the time when they will become demand liabilities.

**EXPENDITURES**—The total cost incurred for current expenses, abatements of revenue, acquisitions of property or other assets or for the reduction of liabilities and includes cash purchases.

**EXPENSES**—Cost of administration, operation, reserve for repairs, reserve for replacements (depreciation) and fixed charges incurred in or accrued to a stated period irrespective of the date of payment.

**FIXED CHARGES**—Amounts that are recurrent and that may be predetermined, arising in most cases from obligations of a long term nature, such as interest on loans and mortgages, rent for leased property, ground rent, insurance and taxes.

**GENERAL ACCOUNT**—All accounts reflecting the current financial condition of the city and including the current assets, current liabilities (see definitions of these terms), current reserves, and current operation accounts.

**GENERAL FUND**—The estimate of revenue receipts and the cash in the treasury from ordinary revenue sources, less outstanding vouchers audited and warrants payable, that is available for the current expenses of government, the payment of debt and the acquisition of properties.

**INCOME**—The amount of funds collectible in a certain period.

**INVENTORY**—An itemized list of articles, stores, equipment and property with values.

**INVESTMENT OF THE CITY**—The account in the general ledger of an operating department or bureau which corresponds to the sum of the capital, surplus and profit and loss accounts in private business. The balance represents the excess of assets over liabilities, or the equity or investment of the city as of a given date in that department.

**INVOICE**—A statement of account rendered by a person who has furnished supplies or material or rendered service to the city, such statement being used as a basis of settlement of the amount due.

**LIABILITIES**—Financial obligations incurred by the city.

**LOAN FUNDS**—The proceeds from the sale of bonds for long term loans. Temporary loans are carried in the general fund.

**MAINTENANCE EXPENSE**—Expenses incurred for the care and upkeep of the physical properties and equipment as distinct from operation. It includes the annual reserve for repairs and the annual reserve for depreciation. These annual reserves are charged to maintenance expense and credited to their respective reserve accounts. Actual expenditures for repairs and replacements are charged to these reserve accounts respectively instead of being charged direct to maintenance expense. By this method the cost of maintenance is equitably distributed to the current expenses of each year regardless of the year in which the repairs or replacements are actually made.

**OPERATION EXPENSE**—The ordinary running expense of the city government incident to the cost of conducting the current services performed by the city.

**RECAPITULATION**—The forecasting or bringing together of details of like character into summaries.

**RECEIPTS**—All cash coming into the possession of the city in a stated period irrespective of the source.

**RECONCILIATION STATEMENT**—A statement that analyzes and sets forth in detail the differences between two accounts.

**REPAIRS**—Includes all expenditures for keeping structures, non-structural improvements and equipment in good operating condition throughout the entire period of the estimated life of any unit thereof; and includes also expenditures for replacing minor parts that keep property in repair only during the estimated life thereof and do not lengthen its estimated life.

**REPLACEMENTS**—Includes all expenditures for replacing or renewing the whole or an important part of any structure, non-structural improvement or equipment, and which extends its useful life beyond the average term of life of property of that class.

**RESERVE FOR DEPRECIATION**—An amount obtained by charging "maintenance expense" and crediting "reserve for depreciation" for the estimated amount of depreciation in the cost value of property and equipment as the result of use and obsolescence. Expenditures for replacements are then charged to the reserve for depreciation instead of being charged direct to maintenance expense as would be the case if no reserve for depreciation were set up. Where the amount of depreciation has been accurately determined, the credit balance of this account represents the

expenditures to be made in the future on account of past depreciation. See also the definition for depreciation and Chapter XIII on Inventories and Transfers of Property.

**RESERVE FOR CONTRACTS**—An amount set aside from appropriation balances for the liquidation of contracts.

**RESERVE FOR OPEN MARKET ORDERS**—An amount set aside from appropriation balances for the liquidation of open market orders.

**RESERVE FOR REPAIRS**—An amount set aside by charging "maintenance expense" and crediting "reserve for repairs" for the estimated amount of repairs which accrue to a certain period regardless of whether the repairs to property are made in that period or not. See also Chapter XIII on Inventories and Transfers of Property.

**REVENUE**—The increment of gain applicable or apportionable to a certain period as accruing in, and belonging to, that period irrespective of the period in which it becomes collectible or is collected.

**SALARIES**—Compensation for personal services fixed upon a weekly, monthly or yearly basis.

**SERVICE TRANSFER**—Services rendered or materials or supplies transferred from one department or bureau to another department or bureau.

**SINKING FUNDS**—Resources set aside by the city in reserve for the amortization and redemption of the principal of the city's debt.

**SPECIAL AND TRUST ACCOUNT**—A statement of the resources held by the city in trust or in its capacity as trustee or special corporate agent, together with any liabilities, reserves or surplus incident thereto.

**SPECIAL AND TRUST FUNDS**—The estimated receipts of a special and trust nature and the special and trust cash in the treasury applicable to appropriation accounts, and funds available for appropriation.

**SURPLUS**—The excess of assets over liabilities and reserves. In the general books of the city (city controller's department) the surplus consists of two parts, (1) the excess of cash over immediate demands (vouchers audited and warrants payable), which includes the amount which must be held available to cover unexpended appropriations and the amount which is available for further appropriation, in other words, the "general fund surplus," and (2) the excess of other assets over other liabilities, which surplus is purely of a proprietary nature and is not available for appropriation as such. It only becomes available for appropriation when the "other assets" are converted into cash.

**TRIAL BALANCE**—A list in two parallel columns of the total debits and total credits of each open account of a ledger, prepared to ascertain that the total debits equal the total credits and used as a basis for preparing financial statements. A trial balance need only contain the balance of each open account of a ledger if the financial statements to be prepared do not require information as to the volume of transactions affecting each account as shown by the total debits and total credits.

**UNAPPLIED (NET CASH) BALANCE**—The amount of cash in the treasury applicable to appropriation accounts, less audited vouchers and warrants outstanding and unpaid.

**VOUCHER**—A document containing a statement of an amount due by the city and accompanied by, or having attached, the necessary evidence to prove the justice of the claim and containing the approval of such officers of the city as may be required to pass upon the evidence and approve the claim for payment.

**WAGES**—Compensation of skilled and unskilled employees fixed upon a per diem or hourly basis.

## CHAPTER II

### DESCRIPTION AND USE OF DOCUMENTS

DOCUMENTS, as applied to municipal accounting, are the original or official papers, which form the basis, proof or support of a financial transaction between a department of the city and another party, arising from an obligation of the one towards the other. Documents contain all information pertaining to the transaction and they also include records within a department having to do with the handling of property, stores and the adjustment of accounts.

By general classes, the documents are as follows:

1. REQUISITIONS
  - (a) Requisitions on storekeeper.
  - (b) Requisitions on central office of department or bureau.
  - (c) Requisitions on department of supplies.
  - (d) Requisitions on another department or bureau.
2. ORDERS
  - (a) Contract orders.
  - (b) Open market orders.
3. INVOICES
  - (a) Regularly rendered invoices.
  - (b) Memorandum invoices.
  - (c) Inter-departmental invoices.
  - (d) Credit invoices or credit memoranda.
4. EXPENDITURE VOUCHERS
  - (a) Contract vouchers.
  - (b) Open market order vouchers.
  - (c) Payroll and miscellaneous vouchers.
5. REVENUE AND RECEIPT DOCUMENTS
  - (a) Tax and water bills.
  - (b) Rentals.
  - (c) Invoices for services performed by the city.
  - (d) Licenses, fees and permits.
6. ADVICES OF VOUCHER ADJUSTMENT

#### 1. REQUISITIONS

A requisition is a request made by an officer or employee of the city for services, supplies and materials, such instrument becoming an official document when duly approved by an authorized official.

Requisitions are of four classes, as follows:

- (a) Requisitions on storekeeper.
- (b) Requisitions on central office of department or bureau.
- (c) Requisitions on department of supplies.
- (d) Requisitions on another department or bureau.

#### (a) REQUISITIONS ON STOREKEEPER

The form used for "requisitions on storekeeper" is left to the discretion of the particular department. It must, however, contain sufficient information to enable the accounting division

to properly classify the materials issued, and be of a distinctive form and color. Requisitions on storekeeper being prepared in triplicate, the original and duplicate are forwarded to the storekeeper through the proper channels, and the triplicate remains as a permanent record in the issuing office.

When properly approved, the original and duplicate requisitions are sent to the storekeeper and are his authority to make deliveries requested thereon. Deliveries from the storehouse should always be accompanied by the duplicate requisition, which serves the purpose of a "delivery" or "shipping" ticket and bears the receipt of the person to whom the materials are issued. At the time of delivery of the goods, the storekeeper notes the fact upon the original requisition and forwards it to the central accounting office of the department or bureau. The duplicate requisition he retains on file as a storehouse record.

No particular method of numbering the requisitions on storekeeper is prescribed, this being left to the discretion of the departments.

#### (b) REQUISITIONS ON CENTRAL OFFICE OF DEPARTMENT OR BUREAU

When there is need for articles not kept by the storekeeper, or when the storekeeper requires articles at the storehouse or when services are required, a requisition on the central office of the department or bureau should be prepared in duplicate; the original requisition being forwarded to the central office of the department or bureau; the duplicate being retained by the requisitioner.

Upon the receipt of the original requisition in the central office of the department or bureau, and as soon as the necessity for the requisition has been determined, either (1) a requisition is made upon the department of supplies (c, described below) or (2) an order is sent to a vendor by the central office of the department or bureau, or (3) a requisition on another department or bureau (d, described below) is made, according to the manner in which the articles or services are to be obtained.

A departmental order for the purpose of filling a requisition on central office should only be issued in special cases where its issue is not in conflict with the Act of Assembly of April 4, 1903, P. L. 154, and where there is an unencumbered balance of an appropriation available in the department or bureau issuing it.

The forms used for the requisition on the central office are of a distinctive form and color, but should follow the same general lines as those issued upon the department of supplies (Form No. 1). Minor changes in the wording and which do not change the essential character of the requisitions may be made to suit the requirements of the particular department. The items enumerated must be intelligible so as to admit of their proper classification by character of expenditure and by function or activity.

#### (c) REQUISITIONS ON DEPARTMENT OF SUPPLIES, (FORM 1)

Act of Assembly of April 4, 1903, P. L. 154 provides that the department of supplies shall have the direction, control and administration of the purchase and supply of all articles of personal property required in the conduct of the business of the city and that all departments of the city shall obtain such articles by requisition upon the department of supplies. By virtue of this act the department of supplies is designated the purchasing agency for the City of Philadelphia.

The requisition on the department of supplies is typewritten in triplicate by means of carbon paper; as many additional copies may be made as individual bureaus may require.

The office or station requiring the material makes out a requisition on the central office of a department or bureau (as described above) and transmits it to the chief clerk, who makes out a requisition on department of supplies. After approval by the proper officials, the original (Form 1) is sent to the department of supplies. The yellow sheet (Form 1A) goes to requisitioner to notify him that requisition has been made out. The pink copy (Form 1B) is retained

in the central office (chief clerk) of the department or bureau and filed numerically. The blue copy (Form 1C) is also retained in the chief clerk's office and filed in the cost division tickler by stations originating the requisition.

Separate requisitions must be prepared for each class of supplies included in each appropriation item to the department of supplies, and separate requisitions for supplies on schedule and for those not on schedule.

In entering or listing articles leave at least three-quarters of an inch between each entry.

In all cases where articles have been scheduled by the department of supplies, insert in the column headed "schedule" the class and item number.

In the column for "description" state in definite terms precisely what is required, i. e., make, kind, size, or pattern of the article.

The cost of the articles by unit and in total is ascertained and placed in the columns headed "Estimated Cost."

The last two columns are reserved for notations by the department of supplies.

In case a requisition form is spoiled in issuing, it should be canceled by marking across the face the word "spoiled" and delivered promptly to the chief clerk and by him forwarded to the department of supplies; this will keep the consecutive series of requisition numbers intact.

#### (d) REQUISITIONS ON ANOTHER DEPARTMENT OR BUREAU

When the occasion arises for a department or bureau to ask that work be done for it, or that supplies and materials be furnished by another department or bureau, a requisition on central office is made out in the regular form by the person requiring the services or the material and sent to the central office of the bureau, which then issues on the other department or bureau from this requisition, an inter-departmental or inter-bureau requisition upon a form similar to that used for the requisition on the department of supplies.

## 2. ORDERS. (FORMS 2, 2A, 2B, 2C, 2D, 2E, 2F, AND 2G.)

As herein used orders are of two kinds, namely, contract orders and open market orders.

(a) *Contract orders* will be understood to mean the requests made by a purchasing agent or other person authorized to request the delivery of supplies and materials under formally executed contracts, the quality, quantity and price of the supplies or materials being governed by the terms of the contract under which the order is issued. (b) *Open market orders*, as used in this relation, will be understood to mean all requests for the delivery of supplies, materials, or the rendering of service not formally contracted for by the city, and which, upon acceptance and delivery by the person receiving the same, constitute informal contracts, the quantity, quality and price being determined by correspondence and other informal agreements between the agents of the city and the contractor or vendor prior to delivery, or by the settlement of accounts stated after delivery.

The two kinds of orders and the copies thereof are in different colors. The several copies are used as follows:

#### (1) ORIGINAL ORDER. (Form 2) to be attached to the voucher transmitted to the controller.

This copy of the order is sent to the contractor or vendor with (2) and (3) described below (Forms 2A and 2B), and is returned by him with the delivery of the goods in case it is contemplated that the order shall be completed by a single delivery. Being the original order, an exact copy of which is left with the contractor or vendor, and being delivered by the contractor or vendor or by his agent to the receiver of the goods, it becomes, when properly

certified and receipted, the best evidence obtainable (a) as to the character of the order given, (b) as to the fact of delivery, and (c) as to the quantity and description of goods for which claim may be entered by the contractor or vendor against the city.

(2) COPY TO BE RETAINED BY CONTRACTOR OR VENDOR (FORM 2A)

This copy is for the use of the contractor or vendor, and is his evidence of the order received from the city. It carries full instructions to the contractor or vendor as to the department ordering, the place to which the delivery is to be made, and the quantities, prices and description of goods. The instructions contained on the order are (a) that the number of the order (and contract, if a contract order) is to be indicated on invoices and (b) that invoices in triplicate form must accompany each delivery of goods, or the goods will not be received.

(3). ACKNOWLEDGMENT BY CONTRACTOR OR VENDOR OF THE RECEIPT OF ORDER (FORM 2B)

This copy is returned by the contractor or vendor to the office from which it was issued as an acknowledgment of the receipt of order and the date on which delivery of the supplies ordered may be expected. Upon its return this copy of order will be used by the department's inspectors to note on the extended sheet the particulars of inspection, after which it may be attached to the copy of invoices and other papers in the case and filed. If there is doubt of the prompt return of this copy of the order by the contractor or vendor an additional copy of the order can be made for the use of the inspector as described below under (8).

(4) CONTROLLER'S COPY (FORM 2C)

This copy of order is sent to the department of city controller as an advice of the order issued and to enable the controller to establish the reserves and encumbrances set up against appropriation accounts for orders issued.

(5) OFFICE COPY (FORM 2D)

This copy is retained in the issuing office to establish therein a complete file of all orders issued.

(6) COPY OF ADVICE TO CONSIGNEE OR RECEIVER OF GOODS (FORM 2E)

This copy is to inform the originator of the requisition on the purchasing agent or order clerk that the goods have been ordered; to notify him as to the date of the order and the quantity and description of the goods.

This copy of order is held by the consignee or receiver of the goods until order is completely filled and goods delivered, inspected and passed, when it is certified and approved and transmitted to the department of supplies, if the supplies ordered were purchased through that department, with the original and duplicate invoices, the original order and the schedule of invoices. If the goods were purchased direct or independently of the department of supplies by other departments or offices then this copy of order is retained for permanent file in those departments or offices.

The back part of the copy of advice to consignee or receiver of the goods provides for accounting for more than one delivery of the goods by recording each delivery as it is made and enables the approval of the front of Form 2E only after all the goods ordered have been received.

(7) CONSIGNEE'S OFFICE COPY (FORM 2F)

This copy of order, when issued by the department of supplies, is retained in the central or accounting office of the department or bureau that received the goods as a record of goods ordered through the department of supplies. For such departments or bureaus this

copy may, upon its receipt from the department of supplies, be registered in a memorandum register of orders—separate from the register of orders (Form 7) herein described—to establish the encumbrances against department of supplies appropriations, memorandum accounts of which are kept by each department or bureau. In the event, however, that a department may wish to set up the encumbrance against the memorandum appropriations from the requisition on the department of supplies rather than from the copy of order received from the latter department, the copy of order may be filed numerically, thus making a serial record, or it may be placed in a temporary file and, when invoices are received, taken from the original file and attached to the copies of the requisition and invoice retained by the department.

(8) INSPECTOR'S OFFICE COPY (FORM 2G)

This copy is sent to the inspector's office, department of supplies. By this copy the inspectors are informed as to the quality and quantity of the goods ordered, the point of delivery and the date upon which the delivery is to be made. When the goods have been found to meet the requirements of the orders, the consignee or receiver of goods is notified, the copy then becomes the permanent record of the inspector's office. This copy is required only when order is issued by department of supplies. The forms used and the method and procedure employed in issuing orders direct to the contractor or vendor by the several departments or bureaus should be substantially the same as described above.

### 3. INVOICES

In addition to the classification of invoices which follows, it should be noted that invoices in the city departments and bureaus are of either of two general classes; namely, (1) *departmental invoices* for goods or services purchased by a department or bureau upon its own order, and (2) *"supplies" invoices* for goods purchased upon order of the department of supplies as the purchasing agent of the city.

(a) **REGULARLY RENDERED INVOICES**—An invoice is a statement of account rendered by a person who has furnished supplies or material, or who has performed service for the city not as a regular employee, such statement of account being used as a basis for the settlement of claims for goods so furnished or services so performed. Except under conditions described below under the heading "memorandum invoices," invoices must be rendered to the city at the time supplies and materials are delivered, or when services have been performed. Invoices for goods ordered by the department of supplies for the other departments and bureaus must be delivered with the goods to the department or bureau for which the goods were purchased.

Invoices in triplicate are required for all purchases by the department of supplies for other departments and bureaus; and invoices in *duplicate* for all purchases by departments direct. If an extra copy of an invoice is needed by any department or bureau, there is no objection to its being required by the department ordering the goods. Any goods delivered under the circumstances above described, without triplicate or duplicate invoices, as case may be, will be held (if at all) at the contractor's or vendor's risk. They will not be used or received into stock until invoices in triplicate are furnished, except as noted under b (below).

(b) **MEMORANDUM INVOICES** are to be used under the following conditions: If at any time it may be necessary to use goods which have been delivered without invoices in triplicate, the person receiving the goods must make out memorandum invoices and state thereon the emergency which caused such action to be taken.

Memorandum invoices will be treated in the same manner as vendor's invoices until the vendor's invoices shall have been received. When the copies of the vendor's invoices will be checked to the corresponding copies of the memorandum invoices and filed therewith as a part of the record.



*Delivery slips* in lieu of triplicate invoices are to be delivered with the goods when merchandise is delivered under the following conditions:

- (1) When it is contemplated that more than one delivery is to be made on account of a formal or an informal contract which does not require that orders be issued against it;
- (2) When it is contemplated that more than one delivery is to be made on a single order issued against a formal contract;
- (3) When it is contemplated that more than one delivery is to be made on a single open market order.

The receiver of the goods will note the particulars of each delivery on the back of the "copy of advice to consignee" (Form 2E), and when the final delivery is made with the copies of invoice and original order accompanying it, he will copy on the back of the original order the particulars of each delivery which he has previously noted on the "copy of advice to consignee." Whenever goods are delivered under the circumstances above described it is contemplated that the vendor shall leave with the receiver a delivery slip. In case the vendor does not leave a delivery slip with the goods the receiver will provide a memorandum for the deliveryman to sign as evidence of the quantity of each article delivered. These delivery slips, whether on the vendor's or receiver's forms, will be kept on file by the receiver of goods until the final delivery upon an order is received, when they will be attached to the original copy of the order (Form 2) and forwarded, together with the "copy of advice to consignee" and the copies of the invoices (approved as to quantity and quality), to the central office of the receiver of the goods. In case of orders not completed at the end of the month, the receiving clerk will list the receipted delivery slips on a separate memorandum for each uncompleted order and send them to the central office of the department or bureau for entry in the register and schedule of invoices in the month in which the goods were received. They will be given an invoice number, which number will also be placed on the invoice when it comes through with the final delivery of the goods. This is done that the delivery slips may be identified on the register and schedule of invoices with the remainder of the invoice that is registered in a subsequent month.

To the end that the contractor or vendor may clearly understand how he shall render invoices in the cases described above, the department of supplies (or other office issuing orders) will stamp the following notation on the contractor's or vendor's copy of the order: "*Delivery slip must accompany each delivery of goods, and with the final delivery, invoices in triplicate covering all deliveries upon the order must be sent to the department or bureau receiving the goods.*" The same procedure must be followed in rendering invoices covering partial deliveries as has been outlined above under the heading "Regularly rendered invoices." That is, they must in all cases accompany the final delivery of goods to the consignee, and upon approval of the goods as to quantity and quality by the proper person, be forwarded to the central office of the department or bureau for entry upon the register and schedule of invoices (see Chapter VI). If the goods have been ordered by the department of supplies, however, the "supplies invoices" are later entered upon the register and schedule of invoices sent to the department of supplies, preparatory to being forwarded to that department.

It should be borne in mind, however, that this procedure for invoices is *confined solely* to those exceptional cases where it may be necessary to deliver goods ordered without invoices in triplicate accompanying the delivery.

If it is found that there are any conditions in connection with the delivery of goods and the rendering of invoices that are not provided for by the foregoing procedure, rules covering the same, in conformity with the general method of operation herein described, will be formulated as they arise.

Wherever in the procedure outlined above the department of supplies is named, the same procedure with slight modifications to suit local conditions is to be followed by all other departments and offices. The department of supplies is named specifically because that department is the purchasing department or agent for all city departments, bureaus and offices.

(c) **INTER-DEPARTMENTAL INVOICES**—An inter-departmental invoice is an invoice rendered by one department or bureau to another for services rendered or materials, supplies or equipment delivered, or for the transfer of custodianship of land, structures and non-structural improvements. In the case of inter-departmental transfer all services, materials or property are billed at cost value.

In the case of services the journal entry representing the cost value of services furnished another department or bureau is charged to inter-departmental services, etc., through the medium of the register of invoices and payrolls. Materials, supplies and equipment purchased for another department or bureau where such fact is known at time of purchase is similarly charged to services rendered other bureaus through the medium of the register of invoices and payrolls.

Materials, supplies and equipment issued from the storehouse of a department or bureau for the benefit of another department or bureau is charged to services rendered other bureaus, through the medium of the monthly report of stores issued.

Equipment that is in use by a department or bureau and not in stores at the time of its transfer to another department or bureau, and land, structures, non-structural improvements, accounts receivable, choses in action, or any other asset whatsoever not mentioned above, which is transferred to other departments or bureaus, is registered in the register of services rendered other bureaus, the description of which appears in a subsequent chapter.

The inter-departmental invoices describe and give the cost value of the services or property transferred, and should be prepared in triplicate. The original and first copy (duplicate) is sent to the receiving departments with the goods. The second copy (triplicate) is retained by the department furnishing the goods. The first copy is receipted by the department receiving the goods and returned by it to the department furnishing the goods as evidence that the goods as issued have been received.

(d) **CREDIT INVOICES OR CREDIT MEMORANDA** are issued where there are allowances or reductions made on an invoice in favor of the city, usually on account of goods returned to the vendor. When such invoices are received, they are entered in the register of invoices in red ink as a credit. If an invoice has been vouchered prior to the goods being returned to the vendor, the adjustment would be made in the voucher register instead of in the invoice register.

Whenever it is not practicable to issue orders covering petty expenditures, the invoices covering such expenditures should have noted on them the words "No order."

#### 4. EXPENDITURE VOUCHERS

Expenditure vouchers as herein used are documents prepared by a department or bureau, containing a statement of amounts due by the city, approved by the proper head of the department or bureau, accompanied by the evidence of the propriety and justice of the claims and certified to by persons having direct knowledge thereof.

There are three classes of expenditure vouchers, namely, those chargeable to (1) general fund appropriations; those chargeable to (2) loan fund appropriations, and those chargeable to (3) special and trust fund appropriations. Each of these three main classes of expenditure vouchers is sub-divided as follows:

- (a) Contract vouchers (Form 3) printed on blue paper.
- (b) Open market vouchers (Form 3A) printed on yellow paper.
- (c) Payroll and miscellaneous vouchers (Form 3B) printed on white paper.

The first named, (a) contract voucher, is used to cover payments applying to duly executed contracts; (b) open market vouchers cover open market orders, and (c) payroll and miscellaneous vouchers cover all payrolls and incidental expenses for which no contract has been executed or open market order issued.

The several classes of vouchers are of the same size and form, and furnish the same general information to the city controller.

No voucher or warrant should be drawn for an amount less than one dollar, and where one vendor has several bills accruing in one month they should be combined and one warrant drawn at end of month.

Approval of all claims against the city for audit and payment shall be on expenditure vouchers, certified by the head of the department in which the claims originate. On the outside of the voucher (Forms 3, 3A and 3B), the departments enter the number of voucher and warrant, estimate number if a contract voucher, and open market order number if an open market voucher, and the general or loan fund appropriation item numbers and amounts. The name of the payee, the nature of the voucher and the total amount thereof are also shown in the spaces provided therefor. Under the heading "Character of expenditure" and "Amount" is entered the distribution of the voucher amount in accordance with the classification of expenditure detailed thereunder. The total of the amount column is the total amount of the voucher as distributed. Space is provided likewise for the distribution of the voucher by function, for the approval of the voucher by the bureau chief and the director of the department in which the voucher emanated, and for the acknowledgment of the receipt of the warrant by the payee. Particulars of the claim are entered on the inside of the voucher (Form 3C), giving the item, date, recapitulation by object of expenditure, and, if there are several items chargeable to one account, they are entered in the column headed "amount." The total of the items is extended in the last column, and if more than one account is covered by the voucher, the last column is totaled and this total becomes the amount of the voucher.

The form for the *payroll voucher* is of standard size for all departments, bureaus, commissions and offices of the city. The size is 17" x 14" and the ruling is uniform for all rolls. The ruling, however, may be varied with consent of the department of city controller to suit the requirements of any office. It contains columns as follows:

- Column 1—Warrant No.;
- Column 2—Appropriation item No.;
- Column 3—Name of employee;
- Column 4—Appointment title;
- Column 5—Time worked;
- Column 6—Rate of pay;
- Column 7—Amount earned;
- Column 8—Pension fund;
- Column 9—Amount payable;
- Column 10—Function;
- Column 11—Receipt and power of attorney;
- Column 12—Remarks.

The back of the payroll form contains the same printing as the payroll and miscellaneous vouchers, page 31, including distribution of payroll by character of expenditure and function. In addition there are shown the amount deducted due the municipal pension fund under the Act of Assembly of May 20, 1915, and the net amount due to the employees.

5. REVENUE AND RECEIPT DOCUMENTS as herein used may be included in the following four main classes:

- (a) Tax and water bills, or documents executed as a basis for accruals of future accounts receivable;
- (b) Rentals, or documents issued as statements of accounts receivable for the purpose of making collections;
- (c) Invoices for services performed by the city, or documents issued coincident with the collection of cash;
- (d) Licenses, fees and permits, or documents issued as evidence of sale of municipal credit.

#### 6. ADVICES OF VOUCHER ADJUSTMENT (Form 4)

When an adjustment between the amount of a warrant and the amount of a voucher, or any adjustment in the amount of a voucher, is necessary in the division of audit of expenditures in the department of city controller, there is prepared and forwarded to the department or bureau in which the voucher originated an advice showing the date and number of the warrant and voucher, number of the contract (if on a contract voucher), name of the claimant, original amount of the claim, amount of adjustment, and nature of adjustment. This advice serves as a basis for adjustment entries in the proper departmental or bureau records, for the adjustment of the voucher and the drawing of a new warrant, and as a permanent record in the files of the department or bureau concerned.

Duplicate copies of the advice of voucher adjustment are sent to the department of supplies for changes in the amount of a warrant and voucher prepared by that department. The duplicate copy upon its approval is sent by the department of supplies to the particular department or bureau, whose accounts are affected by the adjustment. In this way the city controller's accounts are kept in constant adjustment with the accounts of the operating departments and bureaus and the department of supplies.

<b>REQUISITION ON DEPARTMENT OF SUPPLIES</b> <small>ALL REQUISITIONS MUST BE TYPEWRITTEN</small>				<b>ORIGINAL</b>		<b>REQUISITION NUMBER</b> <span style="font-size: 1.2em;">S 1000</span>	
<b>THE DEPARTMENT OF PUBLIC WORKS</b> <b>BUREAU OF WATER</b> REQUIRES THE FOLLOWING SUPPLIES, WHICH ARE TO BE DELIVERED TO				<b>DATE ISSUED</b>			
				<b>DATE WANTED</b>			
				<b>CHARGE APPROPRIATION ITEM NO.</b>			
				<b>DATE RECEIVED BY DEPT OF SUPPLIES</b>			
I HEREBY CERTIFY THAT THE SUPPLIES MENTIONED IN THIS REQUISITION ARE ABSOLUTELY NECESSARY FOR USE OF THIS BUREAU.				<b>APPROVED:</b>  <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <b>REQUISITIONER</b>          _____       </div> <div style="width: 45%;"> <b>FOR CHIEF OF BUREAU</b>          _____       </div> </div>			
				<b>ASSISTANT DIRECTOR</b> _____			
<b>SCHEDULE</b>		<b>REQUIRED</b>		<b>ESTIMATED COST</b>		<b>DO NOT USE THESE COLUMNS</b>	
CLASS	ITEM	QUANTITY	UNIT	DESCRIPTION		PER UNIT	TOTAL

FORM 1 (WHITE PAPER) THE ACTUAL SIZE OF THE REQUISITION ON DEPARTMENT OF SUPPLIES IS 8 1/2" X 11".

<b>BUREAU OF WATER</b> COST DIVISION-701 CITY HALL				<b>REQUISITIONER</b>		<b>REQUISITION NUMBER</b> <span style="font-size: 1.2em;">S 1000</span>	
<b>THE DEP'T OF SUPPLIES</b> HAS BEEN REQUESTED TO FURNISH YOU THE FOLLOWING AS PER YOUR REQUISITION				<b>DATE ISSUED</b>			
				<b>DATE WANTED</b>			
				<b>CHARGE APPROPRIATION ITEM NO.</b>			
				<b>DATE RECEIVED FROM COST DIVISION</b>			
<b>SCHEDULE</b>		<b>REQUIRED</b>		<b>ESTIMATED COST</b>			
CLASS	ITEM	QUANTITY	UNIT	DESCRIPTION		PER UNIT	TOTAL

THIS COPY IS FOR YOUR INFORMATION

**MATERIAL RECEIVED**  
 DATE \_\_\_\_\_

**RECEIPT RETURNED TO COST DIVISION**  
 DATE \_\_\_\_\_

FORM 1A (YELLOW PAPER) THE ACTUAL SIZE OF THE REQUISITION ON DEPARTMENT OF SUPPLIES IS 8 1/2" X 11".





# ORIGINAL

## DEPARTMENT OF SUPPLIES

Place Order No., Requisition No., Schedule and Item No., Point of Delivery on all Bills

ORDER 18500

REO. No.

CHARGE TO

APPRO. ITEM

**You are hereby authorized and directed to deliver to**

for the \_\_\_\_\_ the following supplies.

SCHEDULE		QUANTITY	UNIT	DESCRIPTION	PRICE PER UNIT	AMOUNT OR ESTIMATE
CLASS	ITEM					

THIS SPACE FOR DEPARTMENT OF SUPPLIES

**Signature**

Date Received \_\_\_\_\_

THIS SHEET TO BE DELIVERED BY THE CONTRACTOR WITH THE GOODS, OR THE FIRST PARTIAL DELIVERY WHEN DELIVERED IN INSTALLMENTS.

INVOICES IN TRIPPLICATE MUST ACCOMPANY EACH CONSIGNMENT.

FORM 2 (WHITE PAPER)—THE ACTUAL SIZE OF THE ORDER FORM IS 8½" X 11".

**CONTRACTOR'S COPY**

## DEPARTMENT OF SUPPLIES

**Place Order No., Regulation No., Schedule and Item No., Point of Delivery on all Bills**

ORDER 18500

REQ. No.

CHARGE TO

APPRO. ITEM

**You are hereby authorized and directed to deliver to**

for the \_\_\_\_\_ the following supplies.

SCHEDULE		QUANTITY	UNIT	DESCRIPTION	PRICE PER UNIT	AMOUNT OR ESTIMATE
CLASS	ITEM					

**THIS COPY OF ORDER  
IS TO BE RETAINED BY THE  
CONTRACTOR**

**INVOICES IN TRIPPLICATE MUST ACCOMPANY EACH CONSIGNMENT OR THE GOODS WILL NOT BE RECEIVED**

FORM 2A (LIGHT BLUE PAPER)—THE ACTUAL SIZE OF THE ORDER FORM IS 8½" X 11".





**INSTRUCTIONS TO CONSIGNEE OR RECEIVER OF GOODS**

In the event that all of the goods mentioned on the other side are not delivered on the same date, the consignee of the goods or other responsible party will issue a Provisional Receipt, giving full particulars of each delivery, and will also make a record, in the space below, of every such Provisional Receipt until the order is completely filled.

PROVISIONAL RECEIPT	DATE RECEIVED	QUANTITY	ARTICLES	PROVISIONAL RECEIPT	DATE RECEIVED	QUANTITY	ARTICLES
A				P			
B				Q			
C				R			
D				S			
E				T			
F				U			
G				V			
H				W			
I				X			
J				Y			
K				Z			
L				AA			
M				BB			
N				CC			
O				DD			

Note hereunder all differences in quantity, quality, size or price of goods delivered and any further remarks which it is desired to bring before the notice of the Director of the Department of Supplies.

(Signature) \_\_\_\_\_

(Title) \_\_\_\_\_

26

<h1 style="margin: 0;">DEPARTMENT OF SUPPLIES</h1> <p style="margin: 0;">ROOM 310-312, CITY HALL Philadelphia,</p>					Place Order No., Requisition No., Schedule and Item No., Point of Delivery on all Bills  <b>ORDER 18500</b>  REQ. No.  <hr/> CHARGE TO  APPRO. ITEM	
Has delivered to _____						
for the _____					the following supplies.	
SCHEDULE		QUANTITY	UNIT	DESCRIPTION	PRICE - PER UNIT	AMOUNT OR ESTIMATE
CLASS	ITEM					

THIS COPY OF ORDER IS TO BE RETAINED BY CONSIGNEE  
OR RECEIVER OF GOODS

27



[illegible]

\*All departments will need the following character of expenditure headings on their voucher forms: Expense, Repairs and Replacements. Property Acquisitions and all other Expenditures. In having vouchers printed, any of the other headings required by the department should be added in the proper places on the list.

*CHARACTER OF EXPENDITURE	SYM-BOL	AMOUNT
EXPENSE	10	
ADMINISTRATION	11	
OPERATION	12	
FIXED CHARGES	13	
OTHER EXPENSE	14	
REPAIRS AND REPLACEMENTS	20	
REPAIRS	21	
REPLACEMENTS	22	
STORES	30	
WORK IN PROGRESS	40	
PROPERTY ACQUISITIONS	50	
LAND	51	
STRUCTURES AND NON-STRUCTURAL IMPROVEMENTS	52	
EQUIPMENT	53	
ACCOUNTS RECEIVABLE	60	
ABATEMENT OF REVENUE SERVICES RENDERED OTHER DEPARTMENTS	70	
	80	
EXPENSE-OPERATION	81	
REPAIRS	82	
REPLACEMENTS	83	
STRUCTURES	84	
EQUIPMENT	85	
ALL OTHER EXPENDITURES	90	
TOTAL		
<hr/>		
FUNCTION NO. 1		
" " 2		
" " 3		
" " 4		
TOTAL		
<hr/>		

.....19.....

RECEIVED FROM JOHN M. WALTON, CITY  
 CONTROLLER, WARRANT No. ....  
 FOR \$ ..... DULY COUNTERSIGNED  
 FOR THE WITHIN ACCOUNT.

.....  
 .....

VOUCHER AND WARRANT No. ....

## PAY ROLL AND MISCELLANEOUS VOUCHER

APPROPRIATION CHARGEABLE		IF PAYABLE FROM LOAN FUNDS, PLACE LOAN STAMP HERE
ITEM NO.	AMOUNT	

### BOARD OF RECREATION

CITY OF PHILADELPHIA

PAYEE .....  
  
 FOR .....  
  
 TOTAL AMOUNT, \$ .....  


---

 APPROVED .....  
  

.....  
 PRESIDENT

FORM 3B (WHITE PAPER)—THE ACTUAL SIZE OF THE PAYROLL AND MISCELLANEOUS VOUCHER FORM IS 7 $\frac{1}{4}$ " X 8 $\frac{1}{4}$ ".

\*All departments will need the following character of expenditure headings on their voucher forms: Expense, Repairs and Replacements, Property Acquisitions and all other Expenditures. In having vouchers printed, any of the other headings required by the department should be added in the proper places on the list.



## CHAPTER III

### MECHANICAL TABULATION

For cost finding and other statistical purposes, mechanical tabulation is of practical value and preferable in many cases to the hand method for the following reasons:

1. Lower operating cost,
2. Quicker results, and
3. Unlimited possibilities for reporting purposes.

In this connection it is not thought necessary to discuss at length the merits of mechanical tabulation, but merely to direct attention to the underlying principles of the system and show the application which has been made of it to the needs of the various departments and bureaus.

The steps necessary to the adoption of the mechanical tabulation system are as follows:

1. Prepare code classifications so that all items which it is desired to record may be designated by code letters or numbers.
2. Have cards designed and printed as described below.
3. Insert card in punching machine and punch numbered items on the card.
4. Run cards through sorting machine, sorting according to the classification wanted.
5. Run sorted cards through the tabulating machine and obtain the totals desired.
6. Certain of the tabulating machines turn out printed reports complete.

### CODES

The first requirement for mechanical tabulation is the preparation of code classifications, so that the names of all items, which it is desired to record, may be represented by numerical symbols. Numerical symbols are usually employed because the punching machine is only designed to punch numbers. In some few instances however, letters may be used where the letters may be easily given a number and the number punched. Because the letters have to be translated into numbers before punching, it is advisable wherever possible to confine the code classifications to numbers.

### CARDS

The cards utilized in the mechanical tabulation system are of special design and have printed upon them a series of numbers arranged in groups or columns, technically known as "fields." The fields may be of varying sizes and each one contains one or more perpendicular rows of numerals from 0 to 9. The area of the field depends upon the requirements of the code numbers or amounts to be punched. The amount of detail information which can be punched is only limited by the size and number of the fields. The illustration shown herewith (Form 5) is made up with fields designed for punching job, month, day, year, kind of document, number of document, function, sub-function or activity, character of expenditure, object of expenditure, unit of measure, quantity, amount and name of the operator.

### PUNCHING

The card to be punched is placed in the key punch. The punching process, by producing small round holes and removing the numerals printed upon the cards, forms a combination of numerals and amounts suitable for sorting and tabulating for reporting purposes. One type of punch may be used on a desk or table. The operator strikes keys resembling those of a typewriter and punches holes in the card one at a time in the order desired and in the proper fields. As each hole is punched, the card automatically moves one space to the left until the whole card is punched and ready to be taken out of the machine. Another style of punch has

CITY OF PHILADELPHIA  
DEPT. PUBLIC SAFETY—ELECTRICAL BUREAU Form 50

12	Day	Mo	Kind	Document	Job No.	12	Function	M	Object of Expenditure	Unit	Quantity	Amount	By
0	0	0	0	0	0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9	9	9	9	9

1-2036

FORM 5—THE ACTUAL SIZE OF THE CARD USED IN MECHANICAL TABULATION IS 3 1/4" X 7 1/8".



540 keys arranged in rows of 12 keys each and the operator sets the keys for each column to be punched for each of the 45 columns. The complete setting of the machine can be read before the card is punched. Then the whole card is punched by one pull of the lever. The punched card drops into a receptacle at the bottom of the machine. Having provided for the code classification and the proper arrangement of fields (as explained above), any data appearing upon a document can be recorded or analyzed upon the cards. Furthermore, the punching provides a complete record of the document in very small space.

### SORTING

After any quantity of cards have been punched, they are ready to be placed in the sorting machine and sorted. A group of punched cards is placed in the magazine or holder at the top of the sorting machine without any regard to order and the machine started by pressing the button. The sorting of the cards is made possible by the establishment of contact through the punched holes of the cards. Thus, whenever contact is made at hole number 1, the card having the 1 punched out is shot into a bin numbered 1; at hole number 2 the card having 2 punched out is shot into a bin numbered 2; and so on until all of the cards have been sorted for that column. The next column is then sorted in exactly the same way. This is repeated until all the columns have been sorted. In this manner between 12,000 and 20,000 cards an hour may be sorted.

After sorting the cards into groups and passing the groups through the tabulating machine, the same cards may be returned to the sorting machine and sorted in a different manner to obtain information of totally different kind from that obtained in the first sorting. Ordinarily the punched cards go through several sortings according to the various fields represented upon them and the information it is desired to obtain. To illustrate the above, we will presume that cards representing several months are placed into the sorting machine and sorted according to months and the totals for the months secured; they are then sorted again by days and the daily totals secured. In these operations the first sorting represented twelve (12) sub-divisions and the second thirty-one (31) sub-divisions. Each set of totals are entirely distinct from the other. The cards may then be sorted according to function, character, object or other classifications.

### TABULATING

Following the sorting operation, the contents of the bin which it is desired to tabulate are placed in the magazine of the tabulating machine and the current turned on. This machine is motor-driven and has two or more counters according to the requirements. As the cards pass through, one by one, contact is secured through the punched holes in the cards which operates the counting mechanism. While the cards are passing through the tabulating machine, the operator secures the totals from the counter dials and makes a record of them upon forms provided for the purpose.

It is possible to secure sub-totals in the first counter and have the grand total accumulate in the second counter to be taken off when the group is finished.

### TABULATING AND PRINTING

In one style of machine the cards are tabulated as described above and the results of tabulation are printed in the form of a report, in conjunction with the designations of code numbers, and the detail items represented by the holes punched on the individual cards are listed. The mechanism, while similar to that described above, includes an automatic adding machine with 54 "banks" operated by means of the contact through the punched holes. The printed result is similar to that done by the most complicated adding machines.

The printing feature is valuable as permitting the work to be checked back easily to the original document without having to look at each card. Several carbon copies of the original report may be made in one operation.

### ANALYSIS OF EXPENSES INCURRED, PROPERTY ACQUIRED AND OTHER EXPENDITURES BY MECHANICAL PROCESS

At the beginning of this chapter, reference was made to the fact that departments and bureaus were utilizing the mechanical tabulation system in the keeping of cost records. It may be stated that these records have generally been immensely simplified by the securing of the totals from the tabulation of the cards instead of the laborious posting of each item of expense to the detail expense sheets.

In order to obtain these results through the mechanical tabulation system, the following expenditure documents are analyzed:

1. Requisition on storekeeper;
2. Invoices (a) for direct purchases from vendors, (b) for services rendered other bureaus; and
3. Payrolls.

Form 5 has been designed to admit of cost keeping or expense analysis in such detail as may be found desirable by any department or bureau and it provides fields for the punching, sorting and tabulation of the following data:

1. Date of the document;
2. Description of the document (invoice, requisition or payroll);
3. Number of the document;
4. Quantity of supplies or materials (number, weight or measure);
5. Unit of measure (ton, pound, yard, foot, etc.);
6. Amount (money value);
7. Character of expenditure (administration, operation, repairs, replacement, property, etc.);
8. Object of expenditure (personal services, services other than personal, materials, supplies, equipment, etc.);
9. Sub-class of object of expenditure (sub-division of personal services, etc.);
10. Detail object (description of the article);
11. Function;
12. Sub-function;
13. Specific service;
14. Job (cost of any particular piece of construction or repair work); and
15. Puncher (name of the machine operator).

Having available all of this information for the sorting and tabulating process, it is not necessary to make any detail postings at all to the detail ledgers from the original documents, but instead one posting of the summary total for each group as obtained from the tabulating machine.

In addition to analyzing expense records, it has been found feasible to analyze property, revenues, vital statistics and many other records with rapidity and economy by the use of the mechanical tabulation process. In many cases the cost of doing this work by hand would be prohibitive. Furthermore, the cost of installing the system at this time would be negligible for many departments and bureaus, since the sorting and tabulating machines now in operation in the city controller's department and other departments of the city and county government will accommodate for probably an indefinite period any department which may wish to introduce the system.

## CHAPTER IV

### CLASSIFICATION OF EXPENDITURES

EXPENDITURES are the total costs incurred for a certain period whether for current expenses, abatements of revenue, the acquisition of permanent properties or other assets, or for the reduction of liabilities, and include cash purchases as well as liabilities incurred but not paid during the period.

Expenditures are classified as follows:

- (a) By organization units.
- (b) By functions.
- (c) By characters of expenditure.
- (d) By objects of expenditure.
- (e) By funds.

#### ORGANIZATION UNITS

The total expenditures of the city are classified by departments or sub-divisions such as bureaus, offices, etc., which are known as organization units, for example: Department of Public Health and Charities; Bureau of Health; Division of Medical Inspection.

#### FUNCTIONS

The activities of a governmental organization unit are its functions. The functions of the Bureau of Water, for example, are Pumping, Filtration, Distribution, etc. The functional classification complete for each department and bureau of the city and county government will be found in Chapter XIV.

#### CHARACTERS OF EXPENDITURE

Government service with relation to production or non-production, current expense or property acquisitions is termed character of expenditure. The *primary* classification of expenditures by character is as follows, viz.:

##### 10. EXPENSES INCURRED

- 11. *Administration Expense* is the cost of direction and control (including salaries, services other than personal, materials, supplies, etc.), which is not directly distributable to operation, maintenance or property acquisitions. These expenses only apply to departments or offices which are wholly executive or administrative in their functions. Such offices are those of the mayor, the directors of the executive departments of the city, and certain of the county offices.
- 12. *Operation Expense* is the ordinary current expense of the city government (including salaries and wages, services other than personal, materials, supplies, etc.), incident to the cost of conducting the current services performed by the city.
- 13. *Fixed Charges* are amounts that are recurrent and that may be predetermined, i. e., interest, rentals, contributions, etc.
- 14. *Other Expense* is the cost incurred, if any, for expenses of a miscellaneous nature that are not chargeable to any of the specific expense headings named above.

##### 20. REPAIRS AND REPLACEMENTS.

21. *Repairs* includes all expenditures for keeping structures, non-structural improvements and equipment in good operating condition throughout the entire period of the estimated life of any unit thereof. Expenditures for replacing minor parts that merely keep property in repair during the estimated life thereof and do not lengthen its estimated life are charged to Repairs.

22. *Replacements* includes all expenditures for replacing or renewing the whole or any important part of any structure, non-structural improvement or equipment, and which extend its usual life beyond the average term of life of property of that class.

30. *STORES* includes all expenditures for consumable goods held for future use and property held for future use, such as equipment and parts.

40. *WORK IN PROGRESS* includes all expenditures for work in progress or jobs which subsequently upon completion of the job will be transferred to some other account (see following page).

50. *PROPERTY ACQUISITIONS* (other than replacements) are the expenditures for acquisition of land, structures and non-structural improvements to land, and equipment (excluding all expenditures for property that are in the nature of repairs or replacements).

51. *Land.*

52. *Structures and Non-Structural Improvements.*

53. *Equipment.*

60. *ACCOUNTS RECEIVABLE* includes all expenditures for work done for outsiders for which the city can claim reimbursement.

70. *ABATEMENTS OF REVENUE* include all expenditures relating to the return of or the reduction of revenue in case collection has been made and revenue account has been credited previously.

80. *SERVICES RENDERED OTHER DEPARTMENTS* includes all expenditures of a department or bureau for the benefit of another department or bureau. The account charged will be governed by the nature of the expenditure, as follows:

81. *Expense-Operation.*

82. *Repairs.*

83. *Replacements.*

84. *Structures.*

85. *Equipment.*

These accounts are only to be used when the expenditure is clearly applicable to the function of another department or bureau and is as clearly *not* applicable to any function of the department or bureau making the expenditure. There are many expenditures of departments and bureaus that result in the performance of useful services or the transfer of valuable goods to another department or bureau, but if such expenditures are within the functions of the department or bureau making them they are not chargeable to "services rendered other departments."

90. *ALL OTHER EXPENDITURES* includes manufactured goods, crops, postage and transportation and all expenditures of a miscellaneous nature which cannot by reason of their special nature be classified by character under any of the groupings mentioned above. In practically every case, however, the few expenditures charged to this account can be transferred to one of the specific accounts above mentioned before closing the year's books.

## SECONDARY CLASSIFICATION OF CERTAIN EXPENDITURES BY CHARACTER

Certain kinds of expenditures, classified by character at the outset in an asset-producing class above (representing assets acquired by the city), do not reach their ultimate distribution in this class and have to be subjected to a new, or *secondary*, classification because the assets produced at the time of the primary classification are either consumed (as expense) or changed into assets of a different sort subsequent to the primary classification described above. The following accounts are of this nature:

## 30. STORES, which as the stores are issued from storehouses is redistributed to:

- 10. *Expenses*
- 20. *Repairs and Replacements*
- 40. *Work in Progress*
- 50. *Property Acquisitions*
- 60. *Accounts Receivable*
- 80. *Services Rendered Other Departments*
- 90. *Manufactured Goods (or Crops)*

## 40. WORK IN PROGRESS, which as the jobs are completed is redistributed to:

- 10. *Expenses*
- 20. *Repairs and Replacements*
- 30. *Stores*
- 50. *Property Acquisitions*
- 60. *Accounts Receivable*
- 80. *Services Rendered Other Departments*
- 90. *Manufactured Goods*

80. SERVICES RENDERED OTHER DEPARTMENTS, which at the time of rendering them are accounts receivable (asset), or a deferred debit, but when finally adjusted become either expenses incurred for the department receiving the services, or go to increase the investment of the city in structural or non-structural improvements or equipment. In the departments receiving the services, one or more of the following accounts will be charged, viz.:

- 10. *Expenses*
- 20. *Repairs and Replacements*
- 30. *Stores*
- 40. *Work in Progress*
- 50. *Property Acquisitions*
- 60. *Accounts Receivable*

In the department or bureau rendering the service, this account is charged to investment of the city (closing account) at end of year if a deferred debit, or if collectible is credited and receiver of taxes debited when it is sent to that official for collection.

## 90. MANUFACTURED GOODS, which are redistributed to:

- 10. *Expenses*
- 30. *Stores*
- 60. *Accounts Receivable*

## 90. CROPS, which are redistributed to:

- 10. *Expenses*
- 30. *Stores*
- 60. *Accounts Receivable*

## 90. POSTAGE AND TRANSPORTATION, which are redistributed to:

- 10. *Expenses*

## OBJECTS OF EXPENDITURE

The classification of expenditures by *objects* (or things purchased) is very largely based upon the similar classification prepared by President Taft's Commission on Economy and Efficiency, and the city controller has prescribed its use in the accounts of the city and county of Philadelphia for the reason that it is by far the most complete, comprehensive and usable classification of expenditures for Federal, State and municipal government that has been devised.

The Act of Assembly of April 21, 1855, requires appropriations by city councils to be made for *specific objects*, and the Act of Assembly of June 27, 1895, provides that the city controller shall classify expenditures by *objects*. Whether by "specific objects" is meant the kind of thing purchased or the kind of service rendered, in the law governing the making of appropriations, it is certain that neither the administrative officers nor city councils can exercise judgment about the amount of funds needed without taking into account the quantities and prices of things used.

The departmental budget estimates upon which annual appropriations are based have been classified by *objects* since 1911 in order to conform to the similar classification of appropriations. The classification of budget estimates, appropriations and expenditures upon a standard object of expenditure classification makes possible the preparation of comparative statements that are exceedingly valuable in comparing for a period of years cost of work done, appropriations for similar work and budget estimates upon which future appropriations will be based.

The object of expenditure classification provides for the following grouping of things purchased and paid for by the city, viz.:

A. SALARIES, WAGES, AND OTHER COMPENSATION FOR PERSONAL SERVICES CURRENTLY RENDERED—All expenditures for services which are personal in character—that is, which consist in *acts* of particular persons, performed by virtue of a contract (express or implied), or by virtue of the existence of an official relation, which places the skill or ability of the persons rendering such services under the continuous direction and control of another (employer or official superior) during the period of service—including:

- A 1. *Salaries of Regular Officers and Employees*
- A 2. *Wages of Regular Employees*
- A 3. *Salaries and Wages for Extra Help*
- A 4. *Jurors' Fees*
- A 5. *Witness Fees*
- A 6. *Fees and Other Compensation for Special Services*
- A 7. *Trophies, Prizes, Awards, Badges and Certificates for Personal Services.*

B. SERVICES OTHER THAN PERSONAL—All expenditures for services other than personal—that is, which consist in the *results of acts* of persons who by contract (express or implied) have undertaken to accomplish such results without giving to another any right to direct or control their ability or skill—including:

B 1. *Transportation of Persons (Service)*—All expenditures for services other than personal which have for their end or purpose the carrying of persons from place to place, whether by land or water, or for the furnishing of comfort incident to actual transportation—including (1) steam or electric railroad fares not local; (2) fares by water not local; (3) combined rail and water fares not local; (4) interurban electric railroad fares not local; (5) local transportation such as street car fares; ferry charges; hire of coach, cab, carriage, or motor vehicle with driver or chauffeur; hire of cab, coach, carriage, or motor vehicle without driver or chauffeur; local stage or omnibus fares; local or suburban railroad fares; local or suburban

fares by water; local or suburban rail and water fares; and special and miscellaneous local transportation charges, including hire of launch or boat and hire of saddle animal; (6) sleeping-car, chair-car, drawing-room, and stateroom fares; (7) charter of passenger cars, trains or vessels; (8) towage, dockage, wharfage, moorage and canal charges of municipal owned or chartered passenger vessels; (9) other incidentals of actual transportation, such as passports, tolls, excess baggage, storage incident to travel, long distance stage, carriage, or motor-vehicle fares and hire, mileage allowances, allowances other than mileage in lieu of transportation expenses, switching private cars or trains (local movement), steamer chairs, tips for transportation services, transfers not included in through tickets.

**B 2. Transportation of Things (Service)**—All expenditures for services other than personal which have for their end or purpose the carrying of things (other than packages by post or commercial messenger), animals, or deceased persons, from place to place, whether by land or water, or for the furnishing of care to such things, animals, or deceased persons while in process of being actually transported—including (1) freight and incidental charges; (2) express, other than local, and incidental charges; (3) local transportation (drayage, floatage, lighterage, and local expressage); (4) chartering of cars, trains, or vessels; (5) towage, dockage, wharfage, moorage, and canal charges of municipal owned or chartered freight vessels; (6) removal of garbage and dead animals and abatement of nuisances; (7) removal of snow and ice; (8) removal of ashes and paper and cleaning of streets; and (9) other incidents of transportation of things, such as duties, entry fees and brokerages, tolls, primage, and parcels post.

**B 3. Subsistence and Support of Persons (Service)**—All expenditures for services other than personal, the end or purpose of which is to provide food, lodging and personal care to persons—including (1) furnishing of food; (2) furnishing of lodging; (3) furnishing of food and lodging; (4) furnishing of food, lodging and other miscellaneous service; (5) per diem in lieu of subsistence; (6) mileage in lieu of subsistence; (7) commutation of subsistence and support; and (9) other incidents of subsistence and support of persons, such as laundry service, bath service, barber service, gratuities.

**B 4. Subsistence and Care of Animals and Storage and Care of Vehicles (Service)**—All expenditures for services other than personal, the end or purpose of which is to provide for the subsistence and care of animals and the storage and care of vehicles—including (1) furnishing forage; (2) stabling (without forage); (3) subsistence and care of animals; (4) subsistence and care of animals and storage and care of animal-drawn vehicles (one payment for all); (5) pasturage; (6) storage and care of animal-drawn vehicles; (7) storage and care of motor vehicles and motor-drawn vehicles; and (9) other incidents of subsistence and care of animals and storage and care of vehicles, such as clipping, shoeing animals, cleaning animals, cleaning vehicles.

**B 5. Communication Services**—All expenditures for services other than personal, the end or object of which is to transmit messages from place to place—including charges for (1) land-telegraph service; (2) marine-cable service; (3) wireless telegraph service; (4) telephone service; (5) combined telegraph, cable and telephone service; (6) postal service (not to include parcels post); (7) commercial messenger service; and (8) delivery charges.

**B 6. Printing, Engraving, Lithographing, Binding and Typewriting (Service)**—All expenditures for services other than personal, the end or purpose of which is to imprint or engrave characters on paper, cloth or other material for publication, and to fasten paper or other materials together by binding—including (1) the printing, binding and doing of all other acts and the incurring of all expenses pertaining to the publications issued by departments and independent offices and their several bureaus when this is done under a single order

or contract; (2) proofreading, independent of printing; (3) indexing and editing, independent of printing; (4) lithographing and engraving, independent of printing; (5) binding documents, reports, library books and newspapers; (6) stenographic work, typewriting, multi-graphing, etc.; (7) electrotyping and stereotyping, independent of printing; (8) taking developing and printing photographs and blue prints; (9) special and miscellaneous printing, etc. (service).

**B 7. Advertising and Publication of Notices (Service)**—All expenditures for services other than personal, the end or purpose of which is to attract attention or notice to a want or desire, or to satisfy legal requirements, or to make public announcement of facts—including (1) advertisements for bids; (2) advertisements of sales of property, leases and special privileges; (3) advertisements for labor and services; (4) advertisements of services to be performed for fees; (5) publication of proclamations, announcements, and notices of forfeiture; (6) publication of notices of judicial action; (7) publication of ordinances; and (9) special and miscellaneous advertisements and publication of notices (service).

**B 8. Furnishing of Heat, Light, Power and Electricity (Service)**—All expenditures for services other than personal, the end or purpose of which is to furnish heat, light, power and electricity as such.

**B 9. Special and Miscellaneous Services Other Than Personal**—All expenditures for services by contract or open market order, other than personal, which cannot be allocated or made a direct charge to any of the specific classes above defined—including (1) repairs by contract or open market order; (2) storage not incident to transportation; (3) court or other public office service; (4) commercial reference service; (5) clipping service; (6) computation and statistical service; (7) towel service and other sanitation and cleaning service; (8) sprinkling service; (9) protective, preventive and other services not personal in character and not otherwise classified.

**C. MATERIALS NOT SPECIFICALLY ADAPTED FOR USE AS SUPPLIES, EQUIPMENT OR STRUCTURES**—All expenditures for things not in a state of nature, which are suitable by nature or treatment for use as materials for supplies, equipment or structures, but which, on account of lack of adaptation to a specific use, are of such general utility as to be available as materials for either supplies, equipment or structures—including:

**C 1. Raw Materials, Extracted but Not Reduced or Fabricated**

**C 2. Metals (Reduced) and Metallic Products**, such as metals in pigs, blocks, blooms or ingots, castings, metal in sheets and plates, metals in bars, rods, wire and chains, metals in rolled or wrought or forged shapes, pipe and pipe fittings (including metal plumbing materials and parts), bolts, nuts, rivets, washers, nails, spikes, tacks and screws, builders' and cabinetmakers' hardware.

**C 3. Non-Metallic Mineral Products**

**C 4. Lumber and Wood Products**

**C 5. Fiber Products**

**C 6. Paints, Painters' Materials and Varnishes**

**C 7. Hides, Pelts and Leather, and Animal Products** (other than provisions, fats, oils, etc.)

**C 8. Saps, Gums, Dyes, and Other Partially Adapted Vegetable Products** (excluding grains, forage, wood and fiber)

**C 9. Miscellaneous Materials and Parts**

**D. SUPPLIES**—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for production of things which are or have been planned to be specifically and finally adapted to a particular use for sustaining life, or for the production



of mechanical energy or power, or for other purposes which require that the things when applied to the use for which they are adapted be consumed, *i. e.*, be subjected to such chemical or physical change as to unfit them for continuing use of the same kind as that for which they were adapted, or if not consumed are not to be held for return or specific account of the person to whom issued for use—including:

*D 1. Stationery, Drafting, Scientific and Educational Supplies*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for production of things which have been or are planned to be finally adapted for office or desk, scientific or educational use, and which when used are actually or constructively consumed—including (1) office supplies, such as paper (including plain paper, printed forms and letter-heads; envelopes, mailing jackets and tubes, and filing folders; cards, guides, tags, and tag strings; carbon and ink-coated papers; wrapping, blotting and cover papers; blank books, cardboard, binders' board, strawboard, tag board and oil board; specially protected papers; gummed paper, labels, paper seals and binders), handwriting supplies (excluding paper, ink and receptacles), supplies for office devices (excluding paper), adhesives, clips and fasteners (other than those included in supplies for office devices), inks; (2) drafting supplies, such as drawing and tracing cloth, process paper and process cloth, water colors, thumb tacks, pounce; (3) scientific supplies, such as photographic supplies, chemicals, drugs and medicinal preparations other than chemicals, hospital and surgical supplies, laboratory supplies other than drugs and chemicals, veterinary supplies; (4) educational supplies; (5) magazines and pamphlets; (6) newspapers and newspaper clippings; (7) commercial reference books.

*D 2. Fuel (Including Burning and Illuminating Gases, Oils and Liquids)*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for production of things which have been or are planned to be finally adapted to the production of heat, light and power—including (1) solid fuel, such as coal and lignite, peat, coke, charcoal, kindling wood and matches, briquets, patent and artificial fuels, minor solid fuels and by-products; (2) liquid fuel and illuminants, such as crude petroleum, petroleum distillates, petroleum residues, tar and pitch, alcohols, animal and fish oils, vegetable oils, mixed oils; (3) gas fuel and illuminants, such as water gas, air gas, oil gas, coal gas, producer gas, natural gas, by-product gas, mixed gases, acetylene gas; (4) solid illuminants, such as mineral, animal and vegetable fats and waxes, candles, tapers.

*D 3. Mechanics', Engineers', and Electricians' Supplies; Furnace and Foundry Supplies*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for production of things which have been or are planned to be finally adapted for the reduction of friction and attrition in the operation of machines, or for polishing or abrading incident to the proper care of machines (excepting those polishes and abrasers included under cleaning supplies D 4), and which when applied to use are consumed—including (1) lubricants; (2) packing, calking and gaskets; (3) polishing and abrading supplies; (4) waste and wipers; (5) electricians' supplies not elsewhere classified; (6) furnace and foundry supplies; (7) supplies used in the arts.

*D 4. Cleaning and Toilet Supplies*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for production of things which have been or are planned to be finally adapted to use as cleaners, disinfectants, deodorizers, perfumes, and other supplies for toilet purposes which when applied to use are consumed—including (1) soaps, soap powders and liquids; (2) chemical cleansers; (3) metal, wood and stone polishes and washing oils; (4) toilet brushes and combs (expendable); (5) disinfectants, fungicides, germicides, insecticides and vermicides; (6) toilet paper; (7) toilet liquids, pastes, powders and perfumes (excluding preparations for the teeth); (8) sponges (natural and artificial), expendable brooms, brushes, buckets and fabrics; and (9) other cleansers and toilet

supplies, such as tooth liquids, pastes, powders and picks, sweeping substances, laundry supplies not otherwise classified, harness dressing and soap, shoe polish, paint remover.

*D 5. Wearing Apparel and Hand-Sewing Supplies*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for the production of things which have been or are planned to be finally adapted to human use for body covering, protection and comfort (excluding recreational supplies, and helmets and suits made for persons engaged in occupations particularly hazardous on account of their necessary surroundings), and for use as hand-sewing supplies—including (1) outer garments, such as overcoats and raincoats, furs, capes, jackets, suits and dresses, parts of suits, shawls, jeans, etc.; (2) head coverings and accessories, and hand coverings; (3) outer footwear and leggings; (4) underwear, hosiery, shirts, and shirtwaists; (5) handkerchiefs, cuffs, neckwear and supports for clothing; (6) hand-sewing supplies.

*D 6. Forage and Other Supplies for Animals*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for the production of things which have been or are planned to be finally adapted for the feeding and bedding of animals and which when applied to use are consumed (excluding those things which on account of their adaption to human use are classified as provisions)—including (1) roughage, such as timothy, alfalfa and clover, wild hay, corn fodder, feed straw, Hungarian millet and panic hay, Kafir corn; (2) grains; (3) by-products, mill by-products, packing-house by-products, dairy by-products, brewery by-products, distillery by-products; (4) succulent feed not by-products, such as ensilage, turnips, rape, mangels, cabbages, carrots, sugar beets, forage beets; (5) bedding; (6) horse shoes and harness supplies (expendable); and (9) miscellaneous forage, such as condition powders, bone meal, oyster shells, meat for animals, dog biscuit, horse rations, rock salt.

*D 7. Provisions*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for the production of things which have been or are planned to be finally adapted to use for human food and drink (excluding those things of similar nature, which on account of lack of specific adaption for use as human food are classified as forage)—including (1) meat, fish and fowl; (2) dairy products and eggs; (3) cereal food products; (4) vegetables; (5) fruit and nuts; (6) saccharine products; (7) beverages; (8) condiments, flavors and pickles; (9) fats, oils and miscellaneous provisions, such as lard and substitutes, tallow, oleomargarine, other fats, oils, miscellaneous prepared foods, gelatine.

*D 8. Explosives and Pyrotechnic Supplies*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for the production of things which have been or are planned to be finally adapted for use in signaling, blasting, and recreational purposes, and which when applied to the use for which they have been adapted are consumed—including (1) explosives for use as ammunition; (2) separate loading projectiles; (3) separate loading powder charges, primers, fuses, detonators, tracers and grenades (none of these assembled with ammunition); (4) ammunition for revolvers, rifles, and machine guns; (5) fixed ammunition for cannon; (6) pyrotechnic supplies not elsewhere classified; (7) explosives not elsewhere classified.

*D 9. Special and Miscellaneous Supplies*—All expenditures, whether purchase price for, or outlay or advances under contract or open market order for the production of things other than those classified above which have been or are planned to be finally adapted for use, and which when applied to the use for which they have been adapted are actually or constructively consumed—including (1) recreational supplies not elsewhere classified; (2) water and ice; (3) household supplies not elsewhere classified; (4) florist's and agriculturist's supplies; (5) flags and bunting (expendable); (6) fire extinguishing supplies; (7) tobacco user's supplies, snuff and chewing gum.

**E. EQUIPMENT (INCLUDING LIVE STOCK) AND PARTS**—All expenditures, whether purchase price for, or outlays or advances under contract or open market order for the production of things, or parts of things, which are or have been planned to be adapted to continuing use for increasing the efficiency and economy of human effort, or for sheltering, supporting, storing, carrying, or protecting persons, animals or things (excluding items classified under structures)—including:

*E 1. Heat, Light, Power, Ventilation, Refrigeration and Electrical Equipment (Other than Telephonic and Telegraphic Equipment)*—including hot-air and steam producing apparatus, lighting equipment, refrigerating equipment, steam and other elastic fluid engines, electrical generators and motors, ventilating equipment, power, heat and cold transmitting equipment, pumping and air compressing equipment, miscellaneous heat, light and power equipment.

*E 2. Production and Construction Equipment*—including equipment for farming and the extraction of raw materials or substances, metal working equipment, non-metallic mineral working equipment, timber working equipment, food preparing equipment (excluding household utensils), printing, and fibre cloth and leather working equipment, distilling and refining equipment, construction, repairing and wrecking equipment, miscellaneous production and construction equipment.

*E 3. Transporting and Conveying, and Telephonic and Telegraphic Equipment*—including steam and electric railroad equipment, traction engines and road vehicles, floating equipment, elevators and other equipment for lifting, hauling, conveying and otherwise moving persons or things, trunks, valises and other containers for transportation of things, fittings specifically adapted for equipping boats, etc., telephonic and telegraphic equipment, harness, saddlery, trappings and other stable and garage equipment, miscellaneous transporting and conveying equipment.

*E 4. Furniture and Furnishings*—including chairs, beds, and other supports for the body, tables, desks, and other supports and depositories for commodities, floor coverings, portieres, wall, window and furniture coverings, draperies and window shades, kitchen, dining-room and household utensils and crockery, baths, lavatories, toilets and toilet accessories, bedding (exclusive of bed linen), office, library and store furniture and furnishings not otherwise classified, miscellaneous furniture and furnishings.

*E 5. Property and Life-Preserving and Caretaking Equipment*—including fire preventing and fighting equipment, life-saving equipment, cleaning, renovating and polishing equipment, clipping, trimming and rolling, and watering equipment for lawn and garden, equipment for protection of shipping, miscellaneous property and caretaking equipment.

*E 6. Educational, Scientific and Recreational Equipment*—including educational equipment, such as library stock, art gallery stock, museum stock, zoological garden stock, botanical garden stock and school-room equipment, scientific equipment—including surgical and medical equipment, measuring instruments and accessories, weighing, testing and metering apparatus, spectacles, field glasses and other aids to the senses, photographic equipment, undertaking equipment, mechanical drafting devices and laboratory equipment not classified, recreational equipment, including musical instruments, stage equipment, picture exhibitors, lantern slides, etc., gymnasium and playground equipment of a permanent nature, air guns and other missile throwing apparatus (not internal combustion) and targets, and games equipment.

*E 7. Police and Military Equipment*—including rifles, revolvers and other small arms, batons, night sticks, riot clubs, etc., belts, badges, bugles, hand-cuffs, fire and traffic lines and ropes, danger signs and rods, miscellaneous police and military equipment.

*E 8. Live Stock and Poultry (Other Than Stock and Poultry Purchased for Slaughter and Zoological Stock)*—including horses, cows, bulls, heifers and calves, pigs, chickens, geese.

*E 9. Miscellaneous Equipment*—including office and store equipment other than furniture and furnishings, punitive and correctional equipment, equipment for handling insane patients, diving equipment, signaling equipment, equipment for inspecting supplies, etc. (exclusive of construction work).

**F. STRUCTURES AND PARTS AND NON-STRUCTURAL IMPROVEMENTS TO LAND**—All expenditures, whether purchase price for things, or parts of things, or outlay or advances under contract or open market order for the construction of things, or parts of things, not in the state of nature, fixed or built on land, or for alterations made by man to the surface or sub-surface of the earth for whatever purpose, these things, or parts of things, or alterations to land, being, or being planned to be, adapted to continuing use for sheltering, supporting, storing, or protecting persons, animals, or things, or for improving the natural condition of the earth so as to satisfy human wants—including:

*F 1. Buildings*, such as office buildings for administrative purposes, buildings used for operative purposes, residences and other living quarters, auditoriums, exhibition halls, museums, club houses and amusement places, stores, storehouses, sheds, shelters, etc., stables, garages, carriage sheds, etc., buildings used solely for the production of heat, light, power or refrigeration, sewage and drainage disposal plants, miscellaneous buildings not elsewhere classified.

*F 2. Excavations, Embankments and Surfacing*—such as tunnels, tubes, subways, conduits, canals, and ditches, artificial river and harbor channels and basins, pavements, walks, roads, sidewalks and streets, filtration beds and galleries, naphtha street lamps and posts, wiring and necessary supports, railway and tramway embankments, tracks, switches, etc., special and miscellaneous.

*F 3. Reservoirs, Wells, Cisterns, Mines, Quarries and Borings*—including reservoirs, basins, forebays, etc., wells, cisterns and cesspools, mines, quarries, borings, special and miscellaneous.

*F 4. Retaining and Restraining Walls, Breakwaters, Bulkheads, Etc.*—including dams, levees, riprap works, embankments along streams and water fronts, breakwaters, intake cribs and structures, retaining walls, bulkheads, special and miscellaneous.

*F 5. Bridges and Viaducts*—including bridges as extensions of streets and grade crossings (abolition of).

*F 6. Piers and Wharves.*

*F 7. Ornamental and Commemorative Structures, Fountains, Fences, Etc.*—including monuments, statuary, arches, gravestones, mausoleums and tombs, memorial slabs, tablets, windows, etc. (attached to other structures), fountains, fences, arbors, trellises, pergolas, flagpoles, etc., feed racks and troughs, fixed apparatus and improvements for outdoor recreational purposes, special and miscellaneous.

*F 8. Non-Structural Improvements*—including filling and terracing, sodding, horticultural improvements, razing structures and removing obstructions, special and miscellaneous.

**G. LAND**—All expenditures for land or interests in land, viz.:

*G 1. Freeholds*

*G 2. Ground Rents*

*G 3. Long Time Leaseholds*

*G 4. Water Rights*

**H. PURCHASE OF RIGHTS OF ACTION, PAYMENT OF DEBT, AND OTHER OBLIGATIONS**—All expenditures in the nature of compensation as purchase price for rights to demand and enforce action by or against agents or trustees, debtors, and owners of property under contracts of sale, and for rights to act under patents and copyrights, and under other privileges granting monopolies; and all expenditures by way of payment of debt (including payments to sinking funds), repayments of deposits, and payments of refunds, awards and indemnities—including:

*H 1. Purchase of Rights to Demand, Control or Enforce Action, or of Rights to Act*—includes (1) the purchase of powers; (2) the purchase of equitable interests; (3) the purchase of corporate shares; (4) the purchase of notes, bonds and other choses in action; (5) the purchase of options to purchase; (6) the purchase of patent rights, copyrights, franchises, permits and privileges.

*H 2. Payment of Debt and Payment to Sinking Funds*—All expenditures in the nature of payment or delivery of money contracted to be delivered in the making of loans or at the time of making purchases on credit, except interest; and all expenditures or reservations, the purpose of which is to cumulate or set aside funds for the authorization or final payment of indebtedness.

*H 3. Repayment of Deposits*—All expenditures in the nature of repayments of amounts not subject to demand or claim by the municipality, of which it has assumed the custody.

*H 4. Obligations Arising from Agreements.*

*H 5. Refunds and Awards*—All expenditures in repayment or refund of the whole or part of an amount or amounts previously received in payment of indebtedness (including refunds or repayments in connection with transactions between departments or establishments; in connection with transactions with the public, such as collection of taxes, or other revenue, sales of land or other property, or other transactions).

**J. FIXED CHARGES AND CONTRIBUTIONS OTHER THAN PENSIONS AND RETIREMENT SALARIES**—All expenditures made to meet fixed charges against the municipality or to aid individuals, establishments, or undertakings (excluding pensions and retirement salaries) or as gifts—including:

*J 1. Rents*—All expenditures on account of current expense accruals as distinguished from purchase price, for rights to possession and use of land, structures, or equipment owned by another, the possession of which is to be relinquished at the end of a term specified or implied by law.

*J 2. Royalties*—All expenditures for the right to use or act under patents and copyrights or other privileges, granting monopolies.

*J 3. Fees for Licenses, Permits and Privileges*—All expenditures made as compensation to any governmental unit for (1) a license (a grant or permission by persons in executive or administrative authority to conduct classes of business, to pursue kinds of occupations, to perform acts and enjoy rights which, by reason of police regulations, enacted or imposed, could not be conducted, pursued, performed, or enjoyed except for such authorization); (2) a permit (a formal grant or permission by persons in executive or administrative authority for the performance of special acts, the nature of which is specifically defined by the terms of the instrument conveying the grant and the performance of which acts terminates the grant); or (3) a privilege (a contract whereby the governmental unit granting the privilege, through executive or administrative authority, formally grants or gives permission to conduct a definitely stipulated business to pursue a definitely described occupation, to perform definitely stated acts, or to enjoy definitely prescribed rights which otherwise could not be conducted,

pursued, performed, or enjoyed by reason of the governmental unit's right of ownership, occupation, or easement).

*J 4. Interest*—All expenditures in the nature of compensation for the deferment of money payments contracted for in the making of loans or at the time of making purchases on credit, or in the nature of grants of percentages on money received or set aside and held by the municipality in the capacity of banker or trustee.

*J 5. Insurance and Depreciation Funds*—All expenditures or reservations, the purpose of which is to purchase a guaranty of indemnity for injury to or loss of property or funds, or to provide against impairment due to deterioration, or to cumulate or set aside funds for such purposes.

*J 6. Educational and General Welfare Grants and Contributions*—All expenditures in the nature of grants or contributions, the purpose of which is to encourage education or science; contributions to expositions; contributions to international societies, or payments of quotas of expenses of international proceedings, projects, etc.; payments of membership assessments of the city or its officers, or employees in societies, etc.; contributions towards the maintenance of hospitals, and other contributions of similar character.

*J 7. Support of Military Organizations—National Guard, Old Guard, Veteran Corps.*—All expenditures in the nature of grants or contributions, the purpose of which is to support military organizations, namely, the National Guard, Old Guard and Veteran Corps.

*J 8. Burial Expenses, Providence Funds and other Gratuities*—All expenditures to persons in the nature of gratuities, the purpose of which is to increase the efficiency of those in service, or which are made on other grounds of public policy, excepting trade subsidies and bounties and retirement salaries and pensions.

*J 9. Other Fixed Charges and Contributions* (including taxes paid to other civil divisions).

**K. PENSIONS AND RETIREMENT SALARIES**—All expenditures to persons by way of accruals of fixed charges made as compensation for past services to the municipality.

**L. CONTINGENCIES**—All moneys or amounts lost to the city by its officers or agents, through misappropriation, accident, or negligence, or by theft, and all expenditures for whatever purpose (except those under M, below) which cannot be allocated to any of the preceding classes.

**M. PAYMENTS ARISING FROM THE RELATION OF AGENT.\***

#### FUNDS

Expenditures must be analyzed by funds in order to show the respective use of general funds, loan funds and special and trust funds for the various characters of expenditure.

The analysis by funds shows for any period the use of loan (or capital) funds for current expenses and the use of general funds for the acquisition of permanent property and other capital account purposes. It also shows the amount of special and trust funds used for general and capital account purposes.

#### RECONCILIATION OF EXPENDITURES

In preparing a statement of expenditures include all accounts to which expenditures have been charged in the period covered by the statement. In those cases where expenditures are subjected to a secondary classification, for example, in stores account, or in work in progress account, the expenditures should be stated in the terms of the account to which it is finally dis-

\* For the classification by object in greater detail consult the *Object of Expenditure Classification for the City and County of Philadelphia*.



tributed. For example, a purchase of stores is charged to the stores account in the primary classification of expenditures and taken into storehouse. The stores are subsequently issued from storehouse and used for current expenses. In the statement of expenditures this double transaction is included once in stating expenses and is excluded from the statement of expenditures for stores. In stating the expenditures for stores the amount that should appear in the expenditure statement as the expenditures for stores is the net increase or decrease in the stores balance for the period, the remainder of the expenditures for stores appearing in the accounts to which they have been distributed, as expense, property, etc. By this method duplication is avoided and the expenditures are stated in the terms of the accounts to which they are finally distributed.

The form for reconciliation of primary expenditures with vouchers sent to the city controller and invoices sent to the department of supplies follows:

Character of Expenditure	Balance of Unvouchered Invoices at Beginning of Period	Invoices Registered During Period	Adjustments in Invoices after Registration Increases (Black) Decreases (Red)	Totals	Vouchers (Invoices) Sent to City Controller (Dept. of Supplies)	Balance of Invoices Payable at Close of Period
Expenses .....	—	—	—	—	—	—
Repairs .....	—	—	—	—	—	—
Replacements .....	—	—	—	—	—	—
Stores Acquired .....	—	—	—	—	—	—
Postage and Transportation .....	—	—	—	—	—	—
Work in Progress .....	—	—	—	—	—	—
Property Acquired .....	—	—	—	—	—	—
Accounts Receivable .....	—	—	—	—	—	—
Abatements of Revenue .....	—	—	—	—	—	—
Services Rendered Other Departments .....	—	—	—	—	—	—
Invoices Payable .....	—	—	—	—	—	—
Totals .....	—	—	—	—	—	—

A statement similar to above is to be prepared for invoices sent to Department of Supplies.

The summary reconciliation of invoices registered with vouchers sent to city controller and invoices sent to the department of supplies, follows:

	Totals	General		Loan		Special	
		Regular	Supplies	Regular	Supplies	Regular	Supplies
Balance of Unvouchered Invoices at Beginning of Period .....	—	—	—	—	—	—	—
Invoices Registered during Period ..	—	—	—	—	—	—	—
Adjustments in Invoices after Registration (increases, black; decreases, red) .....	—	—	—	—	—	—	—
Totals .....	—	—	—	—	—	—	—
Vouchers (Invoices) sent to City Controller (Dept. of Supplies) .....	—	—	—	—	—	—	—
Balance of Invoices Payable at Close of Period .....	—	—	—	—	—	—	—
Totals .....	—	—	—	—	—	—	—

The form for stating expenditures in detail as well as the elements other than expenditures contained in expenditure accounts, follows:

DETAIL DISTRIBUTION OF EXPENDITURES

ACCOUNTS

	General Fund		Loan Funds		Special Funds	
	Regular	Supplies	Regular	Supplies	Regular	Supplies
Totals	—	—	—	—	—	—
EXPENSES INCURRED:						
Expenses Incurred (primary expenditures) .....	—	—	—	—	—	—
Stores Issued for Expense .....	—	—	—	—	—	—
Postage and Transportation Issued for Expense ..	—	—	—	—	—	—
Manufactured Goods Consumed (expense) .....	—	—	—	—	—	—
Crops Consumed (expense) .....	—	—	—	—	—	—
Depreciation .....	—	—	—	—	—	—
Services Received from other Bureaus .....	—	—	—	—	—	—
Total Expenses Incurred .....	—	—	—	—	—	—
LESS:						
Depreciation .....	—	—	—	—	—	—
Services Received from other Bureaus .....	—	—	—	—	—	—
Total Deductions—not Expenditures .....	—	—	—	—	—	—
TOTAL EXPENDITURES FOR EXPENSE .....	—	—	—	—	—	—
PROPERTY ACQUIRED:						
Property acquired (primary expenditures) .....	—	—	—	—	—	—
Property transferred from Stores .....	—	—	—	—	—	—
Property transferred from Work in Progress .....	—	—	—	—	—	—
Property transferred from Manufactured Goods ..	—	—	—	—	—	—
Gifts of Property .....	—	—	—	—	—	—
Services Received from other Bureaus .....	—	—	—	—	—	—
Total Property Acquired .....	—	—	—	—	—	—
LESS:						
Gifts of Property .....	—	—	—	—	—	—
Services Received from other Bureaus .....	—	—	—	—	—	—
Total Deductions—not Expenditures .....	—	—	—	—	—	—
TOTAL EXPENDITURES FOR PROPERTY .....	—	—	—	—	—	—
DEBT PAID .....	—	—	—	—	—	—
REPLACEMENTS OF PROPERTY:						
Replacements (primary expenditures) .....	—	—	—	—	—	—
Replacements from Manufactured Goods .....	—	—	—	—	—	—
Replacements from Work in Progress .....	—	—	—	—	—	—
Gifts of Property .....	—	—	—	—	—	—
Services Received from other Bureaus .....	—	—	—	—	—	—
Total Replacements .....	—	—	—	—	—	—
LESS:						
Gifts of Property for Replacements .....	—	—	—	—	—	—
Services Received from other Bureaus .....	—	—	—	—	—	—
Total Deductions—not Expenditures .....	—	—	—	—	—	—
TOTAL EXPENDITURES FOR REPLACEMENTS .....	—	—	—	—	—	—

## DETAIL DISTRIBUTION OF EXPENDITURES—Continued

ACCOUNTS (Continued)	General Fund		Loan Funds		Special Funds	
Totals	Regular	Supplies	Regular	Supplies	Regular	Supplies
REPAIRS TO PROPERTY:						
Repairs to Property (primary expenditures).....	—	—	—	—	—	—
Repairs from Work in Progress.....	—	—	—	—	—	—
Repairs from Manufactured Goods.....	—	—	—	—	—	—
Services Received from other Bureaus.....	—	—	—	—	—	—
<i>Total Repairs</i> .....	—	—	—	—	—	—
Less:						
Services Received from other Bureaus.....	—	—	—	—	—	—
<i>Total Deductions—not Expenditures</i> .....	—	—	—	—	—	—
<i>TOTAL EXPENDITURES FOR REPAIRS</i> .....	—	—	—	—	—	—
STORES ACQUIRED:						
Stores Acquired (primary expenditures).....	—	—	—	—	—	—
Stores from Work in Progress.....	—	—	—	—	—	—
Stores from Manufactured Goods.....	—	—	—	—	—	—
Stores from Crops.....	—	—	—	—	—	—
Services Received from other Bureaus.....	—	—	—	—	—	—
<i>Total Stores Acquired</i> .....	—	—	—	—	—	—
Less:						
Issues for Expense.....	—	—	—	—	—	—
Issues for Work in Progress.....	—	—	—	—	—	—
Issues for Manufactured Goods.....	—	—	—	—	—	—
Issues for Crops.....	—	—	—	—	—	—
<i>Total Stores Issued</i> .....	—	—	—	—	—	—
<i>NET INCREASE IN STORES (decrease—red)</i> .....	—	—	—	—	—	—
POSTAGE AND TRANSPORTATION ACQUIRED:						
Postage and Transportation Acquired (primary expenditures).....	—	—	—	—	—	—
Services Received from other Bureaus.....	—	—	—	—	—	—
<i>Total Postage and Transportation Acquired</i> .....	—	—	—	—	—	—
Less:						
Issues for Expense.....	—	—	—	—	—	—
Issues for other Accounts.....	—	—	—	—	—	—
<i>Total Postage and Transportation Issued</i> .....	—	—	—	—	—	—
<i>NET INCREASE IN POSTAGE AND TRANSPORTATION (decrease—red)</i> .....	—	—	—	—	—	—
WORK IN PROGRESS ACQUIRED:						
Work in Progress (primary expenditures).....	—	—	—	—	—	—
Work in Progress from Stores.....	—	—	—	—	—	—
<i>Total Work in Progress Acquired</i> .....	—	—	—	—	—	—

## DETAIL DISTRIBUTION OF EXPENDITURES—Concluded

ACCOUNTS (Concluded)	General Fund		Loan Funds		Special Funds	
Totals	Regular	Supplies	Regular	Supplies	Regular	Supplies
Less:						
Distributed to Property.....	—	—	—	—	—	—
do Replacements.....	—	—	—	—	—	—
do Repairs.....	—	—	—	—	—	—
do Stores.....	—	—	—	—	—	—
<i>Total Work in Progress Distributed</i> .....	—	—	—	—	—	—
<i>NET INCREASE IN WORK IN PROGRESS (decrease—red)</i> .....	—	—	—	—	—	—
MANUFACTURED GOODS PRODUCED:						
Manufactured Goods (primary expenditures).....	—	—	—	—	—	—
Manufactured Goods from Stores.....	—	—	—	—	—	—
<i>Total Manufactured Goods Produced</i> .....	—	—	—	—	—	—
Less:						
Distributed to Expense.....	—	—	—	—	—	—
do Property.....	—	—	—	—	—	—
do Replacements.....	—	—	—	—	—	—
do Repairs.....	—	—	—	—	—	—
do Stores.....	—	—	—	—	—	—
<i>Total Manufactured Goods Distributed</i> .....	—	—	—	—	—	—
<i>NET INCREASE IN MANUFACTURED GOODS (decrease—red)</i> .....	—	—	—	—	—	—
CROPS PRODUCED:						
Crops (primary expenditures).....	—	—	—	—	—	—
Crops from Stores.....	—	—	—	—	—	—
<i>Total Crops Produced</i> .....	—	—	—	—	—	—
Less:						
Issued for Expense.....	—	—	—	—	—	—
Issued for Stores.....	—	—	—	—	—	—
<i>Total Crops Distributed</i> .....	—	—	—	—	—	—
<i>NET INCREASE IN CROPS (decrease—red)</i> .....	—	—	—	—	—	—
Accounts Receivable.....	—	—	—	—	—	—
Abatements of Revenue.....	—	—	—	—	—	—
Abatements of Expense.....	—	—	—	—	—	—
Services Rendered to Other Bureaus.....	—	—	—	—	—	—
<i>Total Expenditures</i> .....	—	—	—	—	—	—

## CHAPTER V

### CLASSIFICATION OF INCOME

RECEIPTS are all cash coming into the possession of the City in a stated period irrespective of the source.

Income is the amount of funds collectible or receivable in a certain period, whether collected or not.

Revenue is the increment of gain applicable or apportionable to a certain period as accruing in and belonging to that period, irrespective of the period in which it becomes collectible or is collected.

It is very important that the distinction between the various topics above defined be kept clearly in mind.

Just as the detail classification of expenditures is necessary in order to secure detailed information, so the detail classification of income is necessary for the same reason.

Income is classified as follows:

- (a) By organization units,
- (b) By functions,
- (c) By character of income,
- (d) By source, and
- (e) By funds.

#### ORGANIZATION UNITS

The total income of the city is classified by departments or sub-divisions, such as bureaus, offices, etc., from which it accrues and which are known as organization units, *viz.*: Department of Public Safety, Electrical Bureau.

#### FUNCTIONS

The activities of a governmental organization are its functions. The functions of the Electrical Bureau, for example, are Electrical Inspection, Elevator Service—City Hall, Fire Alarm and Telephone Service, etc. The functional classification complete for each department and bureau will be found in Chapter XIV.

#### CHARACTERS OF INCOME

The classification of income according to whether it arises through the reduction of an asset, the abatement of expense, the increase of a liability, or the accrual of revenue shows the character of income. The classification of income by character follows:

1. SECURITIES is credited where they are realized on and give rise to an account receivable.
2. LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT is credited where an account receivable arises from the sale of permanent properties of the city.
3. EXPENSE is credited where an account receivable arises from an amount due to the city on account of refunds for expenditures of an expense nature previously made.
4. DEBT is credited where an account receivable arises from the sale of bonds, or from an amount due to the city for the principal of mortgages executed upon city properties.
5. REVENUES ACCRUED, NOT DUE is credited where an account receivable arises from revenues that become collectible subsequent to their accrual.

6. RESERVE FOR UNACCRUED REVENUES is credited where an account receivable arises which will later become revenue.

7. REVENUES is credited where an account receivable arises from amounts becoming due the city of a revenue nature and which have not previously been taken into revenue account as a deferred debit.

8. SURPLUS (or DEFICIT) is credited where an account receivable arises with no corresponding decrease in the assets or deferred debits or increase in the liabilities or reserves of the city, and where neither expense nor revenue are affected.

9. ALL OTHER INCOME, including duplicate and excess taxes and water rents, ground rents, and any other accounts giving rise to income to the city.

#### SOURCE

Income is classified by source as follows:

A. TAXES are the amounts of money, other wealth, or services, which, by virtue of that sovereign power of a government known as the taxing power, are exacted for the support of government, for meeting general public needs, and for other governmental purposes, without reference to special advantage enjoyed. It is a right which in its nature acknowledges no limit. It includes the power to prescribe the conditions under which persons and corporations may engage in business and business activities, receive franchises, and enjoy common-law rights and privileges; the power to prescribe the conditions under which they may take and hold title to real and other property; and the police power of social, industrial and economic regulation and control.

A100. *General Property Tax* is the common designation of the direct tax upon real property, and upon other property which is apportioned and levied by substantially the methods employed in apportioning and levying taxes upon privately owned real property.

110. Current General Property Taxes.

120. Delinquent General Property Taxes.

A200. *Special Property Taxes* are those direct taxes levied upon property which are assessed, levied and collected by methods that are not generally applied in the case of privately-owned real property and include all taxes levied upon the miscellaneous property of individuals or corporations.

201. Corporate Stock.

202. Corporate Indebtedness.

203. Savings Bank Deposits.

204. Mortgages.

205. Investments.

206. Choses in Action.

207. Bonds.

208. Notes.

209. Land (in specified amount per acre distinct from the general property tax).

210. Horses (per head).

211. Cattle (per head).

212. Grain (per bushel).

213. Ships (per ton of capacity).

290. Other Special Property Taxes.

A300. *Other Taxes on Property.*

A400. *Business Taxes and Licenses.* Business taxes are taxes upon business and business activities in proportion to the volume of business; by reason of the peculiar business in which the taxpayers are engaged; or by reason of some business activity, which constitutes a part of their business. A license is a granting of authority or permission by the proper authorities to

perform certain acts or to carry on certain business, which without such authority or permission the acts or business would be illegal.

410. Liquor Traffic.

- 411. Retail Liquor License.
- 412. Wholesale Liquor License.
- 413. Brewers' License.
- 414. Bottlers' License.

420. Other Business Taxes and Licenses.

- 421. Pawnbrokers'.
- 422. Gunpowder.
- 423. Places of Amusement.
- 424. Lodging Houses (including all buildings with lodgings not already licensed as a hotel, inn or tavern).
- 425. Brokers'.
- 426. Restaurant.
- 427. Billiard and Pool Room.
- 428. Peddler.
- 429. Auctioneer.
- 430. Non-resident Hunter.
- 431. Employment Agency.
- 432. Moving Picture Theatre.
- 433. Rooming House.
- 434. Two-family House.
- 435. To Sell Meats.
- 436. To Sell Milk.

490. Miscellaneous Business Taxes and Licenses.

A500. Non-Business Taxes and Licenses.

510. Dog Licenses.

520. Special Permits and Privileges.

- 521. Permit to Construct Buildings.
- 522. Elevator Permits.
- 523. To Construct House Drainage.
- 524. For Removing Dead Bodies.
- 525. For Street Occupancy by Builders.
- 526. For Parades.
- 527. Inspection of Boilers.

590. Special and Miscellaneous Non-Business Taxes and Licenses.

A600. Poll, or Personal Taxes.

**B. CHARGES AND ASSESSMENTS.** *Charges* includes amounts collected as compensation for governmental service performed for the benefit of a particular individual or corporation, or amounts collected for the accumulation of funds for public purposes. *Assessments* are proportional contributions of wealth levied against property or persons to defray the costs of specified public improvements, of specified public services undertaken in the interest of the general public, or amounts collected for the accumulation of funds for public purposes. Special assessments, like taxes, are levied and collected under the sovereign power of the government, known as taxing power.

B100. Charges for Property (other than Sales).

- 110. Subway Loan Charged to Public Service Corporations.
- 111. Philadelphia and Reading Railway Company.

- 437. Baby Farms.
- 438. Tenements.
- 439. Street Cars.
- 440. To Clean Privy Wells.
- 441. To Keep Animals.
- 442. To Slaughter Animals.
- 443. For Wagons, Hackney Carriages, Carts, Etc.
- 444. For Drivers' (separately from 443).
- 445. Vendors'.
- 446. Elevator Operators' License.
- 447. Engineers' Certificate.
- 448. Moving Picture Operators'.
- 449. Mercantile Tax.
- 450. Tax on Dividends in Excess of Six per cent. Paid by Subsidiaries of the Philadelphia Rapid Transit Company.

- 528. Approval of Boilers.
- 529. Elevator Inspection.
- 530. Elevator Certificates.
- 531. Highway Privileges Granted Public Service Companies.
- 532. Awnings.
- 533. Cost of Advertising City Ordinances Granting Privileges.

120. Abolition of Grade Crossings (Charge for Railroad's Share).

- 121. Philadelphia and Reading Railway Company.
- 122. Baltimore and Ohio Railroad Company.
- 123. Philadelphia, Baltimore and Washington Railroad Company.

130. Damages to Property.

B200. Charges for Expenditures.

210. For Support.

- 211. Insane.
- 212. Dependents.
- 213. Residents.
- 214. Non-residents.
- 215. Patients in Hospitals (Quarantine).

220. For Repairs.

- 221. To Streets Charged to Philadelphia Rapid Transit Company.

230. For the Funded Debt.

- 231. Sinking Fund and Interest Charges from Board of Public Education on City Loans for School Purposes.
- 232. Interest on Subway Loan from Philadelphia and Reading Railway Company.

B300. Charges for Public Trust Funds.

- 310. Sinking Funds (Principal).
- 320. Fire Insurance Fund.
- 330. Municipal Pension Fund.
- 340. Police Pension Fund.
- 350. Firemen's Pension Fund.

B400. Assessments for Property.

- 410. Assessments for Improvements.
- 411. Streets.
- 412. Sidewalks.
- 413. Sewers.

B500. Assessments for Expenditures.

- 510. Water Connections.
- 520. Sewer Connections.
- 530. Repairs.
- 540. Abatement of Nuisances.

B600. Charges for Funds.

- 610. Pension Assessments.

C. EARNINGS OF PUBLIC SERVICE ENTERPRISES AND GENERAL CITY DEPARTMENTS (Fees).

C100. Public Service Enterprises.

- 110. Water Supply Systems.
- 120. Electric Light and Power Systems.
- 130. Gas Supply Systems.
- 140. Markets and Public Scales.
- 150. Docks, Wharves and Landings.
- 151. Dredging by City Plant.
- 160. Cemeteries and Crematories.
- 170. Public Halls.
- 180. Subways.
- 190. All other Public Service Enterprises.

C200. City Treasurer.

- 210. Fees for Collection.

*C300. Law Department.*

- 310. Claims.
- 320. Attorneys' Fees.
- 330. Search Fees.
- 340. Bond Desk Fees.
- 350. Solicitor's Costs.
- 360. Tax Lien Costs.
- 370. Judgment Costs.

*C400. Prothonotary.*

- 401. Summons.
- 402. O. O. Writs.
- 403. D. B. S's.
- 404. Transcripts.
- 405. Judgment Searches.
- 406. Locality Searches.
- 407. Executions.
- 408. Costs.
- 409. Fees.
- 410. Commissions.
- 411. Inquisitions.
- 412. State Tax (Credit).
- 413. Law Library Fees (Credit).
- 414. Criers' Fees (Credit).

*C500. Recorder of Deeds.*

- 510. Recording Deeds.
- 520. Recording Mortgages.
- 530. Recording Assignments.
- 540. Noting and Registering.
- 550. Searches.
- 560. Letters of Attorney.
- 570. Certified Copies.
- 580. Releases.
- 590. Satisfactions.

*C600. Sheriff.*

- 610. Execution Docket.
- 620. Appearance Docket.
- 630. Jury Fees.
- 640. Fines.
- 650. Fees of Sheriff's Deputies.

*C700. Electrical Bureau.*

- 710. Poles.
  - 711. Erection and Maintenance of Poles.
  - 712. Attachments on City Poles.
  - 713. Moving Poles.
- 720. Wires.
  - 721. Mileage of Wires on Private Poles.
  - 722. Rent of Wires in City Cables.
  - 723. Rent of Wires on City Poles.

- 730. Police and Fire Signal and Telephone Service.
- 740. Commissions on Telephone Calls.
- 750. Rent of Conduits.
- 760. Auxiliary Fire Alarm.
- 770. Tax on Tickers.

*C800. Bureau of Health.*

- 810. Examination Fees, Master Plumbers.
- 820. Examination Fees, Journeyman Plumbers.
- 830. Re-registration Fees, Master Plumbers.
- 840. Re-registration Fees, Journeyman Plumbers.
- 850. Fees for Certified Copies of Marriages, Births and Deaths.

*C900. Special and Miscellaneous.*

- 910. Fees by Districts (Bureau of Surveys).
- 920. Searches (Bureau of Surveys).
- 930. Furnishing Plans (Board of Highway Supervisors).
- 940. Park Receipts.
- 950. Fees (Register of Wills).
- 960. Orphans' Court Fees (Register of Wills).
- 970. Commissions on Writs (Register of Wills).
- 980. Searches (Receiver of Taxes).
- 990. Fees in Courts.

D. FINES, PENALTIES, FORFEITS AND ESCHEATS. *Fines and Penalties* are amounts of wealth exacted from individuals, firms and corporations under the sovereign power of the government of inflicting punishment for violation of law. *Forfeits* are amounts accruing to a government in accordance with the terms of contracts as penalties for the non-observance of such contracts. *Escheats* are amounts of money received from the disposal of property whose owners cannot be ascertained or located.

*D100. Fines and Penalties.*

- 101. Court Fines.
- 102. Costs.
- 103. Magistrates' Fees and Costs.
- 104. Magistrates' Costs in Suits for Collection of Delinquent Mercantile Taxes.
- 105. Redemption of Dogs.
- 106. Violation of Ordinances.
- 107. Penalties for Illegal Plumbing.
- 108. Blocking Highway.
- 109. Dumping Manure.
- 110. Police Fines.
- 111. Mixing Mortar on Highway.
- 112. Violation of Health Rules.

*D200. Forfeits.*

- 210. Forfeited Bonds.
- 220. Forfeited Bail.
- 230. For Alleged Defective Gas Meters Found Upon Examination to be Correct.

*D300. Escheats.*

E. SUBVENTIONS, GRANTS, DONATIONS AND GIFTS. *Subventions* are those contributions which are made by the National Government, the State, or the county to their minor civil divisions granted subject to the formal compliance by the recipient with certain prescribed conditions, and *Grants* are those contributions made by one government to another without the prior establishment of conditions. *Donations* are those contributions from private sources, which are for the establishment of libraries, hospitals, almshouses, infirmaries and kindred institutions. *Gifts* are all other contributions by private individuals and corporations to governments.

*E100. Subventions and Grants.*

110. For Property and Improvements.

111. Road Improvements (from Commonwealth).

112. Harbor Improvements (from Commonwealth).

120. For Expenses.

121. For Encouragement of Agriculture (Commonwealth for County Fair).

122. For Support of Prisoners (from U. S. Government).

130. For Principal of Public Trust Funds.

*E200. Donations and Gifts.*

210. For Property and Improvements.

220. For Expenses.

230. For Principal of Public Trust Funds.

231. Girard Estate Trust.

232. Minor City Trusts.

F. RENTS, INTEREST, ETC.

*F100. Rents.*

110. Real Estate.

120. Conduits.

130. Wires.

140. Equipment.

150. Wharves.

160. Bulkheads.

170. Docks.

180. Stalls.

190. Ground Rents.

*F200. Leases.*

210. Subways.

220. Structures.

230. Gas Works.

*F300. Interest.*

310. On Current Deposits.

320. On Investments.

330. On Funds.

340. On Public Trust Funds.

G. SALE OF INVESTMENTS (INCLUDING MATURING INVESTMENTS) AND SALE OF PROPERTY. In maturing investments is included all amounts received on account of payment of principal of investments upon the day of maturity and the distribution of principal of investments when liquidation is taking place. Sale of property includes all amounts received from the sale of physical assets acquired for municipal purposes.

*G100. Sale of Investments and Maturing Investments.*

110. By Sinking Funds.

120. By Public Trust Funds for Municipal Purposes.

121. Fire Insurance Fund.

122. Municipal Pension Fund.

130. By Public Trust Funds for Non-municipal Purposes.

140. Disbursement of Principal (including Maturing Investments).

141. Maturing Investments.

142. Principal from Companies in Liquidation.

*G200. Sale of Supplies.*

210. Water on a Meter Basis.

220. Coal Tar.

230. Gas.

240. Coke.

250. Stone.

260. Gravel.

270. By-products.

280. Repairing Chairs.

290. Manufactured Goods.

*G300. Sale of Property.*

H. RECEIPTS WHICH INCREASE INDEBTEDNESS.

*H100. Bonds, Notes, Warrants, Etc.*

110. Bonds.

120. Notes.

130. Warrants.

140. Judgments.

150. Temporary Loans.

160. Unclaimed Loans.

*H200. Trust Liabilities.*

210. Purposes of Public Trusts.

*H300. Liabilities as Agent for other Civil Divisions, Boards and Societies.*

310. Commonwealth.

311. Mercantile Licenses.

320. County.

330. School District.

340. S. P. C. A.

341. Magistrates' Fines.



**J. SPECIAL AND MISCELLANEOUS (INCLUDING ALL RECEIPTS WHICH CANNOT BE GROUPED UNDER ANY OF THE ABOVE HEADINGS).**

**J100. Suspense Accounts.**

110. From Receivers of Failed Depositories.

**J200. Refunds and Receipts in Error.**

- 210. Overpaid Amounts.
- 220. Overdrawn Warrants.
- 230. Paymaster's Refunds.
- 240. Duplicate Taxes and Water Rents.
- 250. Excess Taxes and Water Rents.

**J300. Conscience Funds.**

**J400. Income from Sale of Bonds (other than Principal—H110).**

- 410. Accrued Interest.
- 420. Premiums.

**FUNDS**

Income must be analyzed by funds in order to show the distribution by general, loan and special and trust funds.

**RECONCILIATION OF INCOME**

The summary reconciliation of income with receipts applicable thereto is made in the following manner:

	Totals	General	Loan	Special
Income Uncollected at Beginning of Period.....	—	—	—	—
Income for Period.....	—	—	—	—
<b>Totals .....</b>	—	—	—	—
Receipts for Period.....	—	—	—	—
Income Uncollected at Close of Period.....	—	—	—	—
<b>Totals .....</b>	—	—	—	—

The detail reconciliation of income and receipts, by character of income, is as follows:

	Income Uncollected at Beginning of Period	Income for Period	Totals	Receipts for Period			Income Uncollected at Close of Period
				General	Loan	Special	
Securities .....	—	—	—	—	—	—	—
Land, Structures, Other Im- provements and Equip- ment .....	—	—	—	—	—	—	—
Expense .....	—	—	—	—	—	—	—
Debt .....	—	—	—	—	—	—	—
Revenues Accrued, Not Due	—	—	—	—	—	—	—
Reserve for Unaccrued Re- venues .....	—	—	—	—	—	—	—
Revenue .....	—	—	—	—	—	—	—
Surplus .....	—	—	—	—	—	—	—
All Other Income.....	—	—	—	—	—	—	—
<b>Totals .....</b>	—	—	—	—	—	—	—

**CHAPTER VI**

**DESCRIPTION AND USE OF REGISTERS AND SCHEDULES OF DOCUMENTS.**

To secure the proper control over the accounts all documents originating in departments must be listed in chronological order in a register for that particular class of documents. At the time of registration a carbon copy of the register (called the schedule) is made for transmittal to the city controller for accounting and auditing purposes. The register further furnishes the totals for making up the monthly journal entries for the general ledger and a total against which the postings to the detail ledgers may be checked. The registers and schedules of documents are as follows:

1. Register and Schedule of Contracts.
2. Register and Schedule of Orders—Contract and Open Market.
3. Register and Schedule of Invoices and Payrolls.
4. Register and Schedule of Invoices sent to Department of Supplies.
5. Register and Schedule of Vouchers sent to City Controller.
6. Register and Schedule of Reductions in Contract Reserves.
7. Register and Schedule of Services Rendered other Bureaus.
8. Register and Schedule of Services Received from other Bureaus.
9. Monthly Report of Stores Issued from Storehouse (with copy for controller).
10. Register and Schedule of Reserves for Repairs and Depreciation.
11. Register and Schedule of Revenue Accruals.
12. Register and Schedule of Income (Accounts Receivable).
13. Register and Schedule of Cash Transactions.

Where it is not specifically stated in connection with the description of each register and schedule, it is to be understood that a schedule is to be prepared by means of carbon paper at the time each register sheet is being written. The schedules in all cases must be properly certified to by chief of bureau or other official and promptly transmitted to the department of city controller.

By reason of the infrequency of special and trust transactions, separate columns have not been provided in the several registers for entries of this character. When transactions of this kind occur, entry thereof should be made in the "general account" or "general fund" column and the amount designated by a symbol in order that separate totals for "general account" or "general fund" and "special and trust accounts" or "special and trust funds" may be secured for journal entry purposes.

The special and trust transactions have been omitted from the journal entries of this chapter and of chapter VIII, as they will not occur in a number of the departments or bureaus. Where they do occur, the journal entries here given may be readily expanded to include special and trust transactions owing to the journal entries therefor being similar to those of the general account and capital account and those of the general fund and loan funds.

In this chapter and chapter VIII the words "safety" and "supplies" have been used in journal entries to distinguish between appropriations, and transactions incident thereto, of an operating department or bureau and the department of supplies. The word "safety" as the short departmental title of the department of public safety is used for illustrative purposes. In practice, the short title of the particular department or bureau for which the general journal entries are formulated would be substituted.



## 1. REGISTER AND SCHEDULE OF CONTRACTS (FORMS 6 AND 6A)

In the first column of the Register and Schedule of Contracts (Forms No. 6 and 6A) is entered the contract number, in the second column space is provided for the name of the contractor and in the third column for the character of the goods or services contracted for.

In the fourth column is entered the appropriation item number, and in the fifth column the title of appropriation; the sixth and seventh columns are designed to show the fund, either general, loan or special and trust out of which the payment of the contract is made. Contracts payable out of special and trust funds are entered in the general fund column and indicated so that separate totals may be made at the end of each month. In the last column is entered the total amount of all contracts entered into during the month.

In the department of supplies, two copies of the schedule of contracts in addition to the register of contracts are required, the second copy being sent to the department or bureau for whose benefit the contracts have been entered into for goods or services. The purpose of thus notifying the operating department is to enable it to encumber the memorandum appropriation accounts that it keeps with the appropriations made to the department of supplies for its use.

In bureaus and offices where the contracts entered into are so few in number, that they can be readily summarized and totals for the month secured without the use of the prescribed form of register and schedule, notifications should be made by letter; the amounts shown in the several letters during the month should be summarized by the three fund divisions in order that totals of each may be available for journal entry purposes.

The totals by funds of contracts entered into form the basis of a general journal entry, as follows:

- Unencumbered Balance of Appropriations—Safety—General Fund.
- Unencumbered Balance of Appropriations—Supplies—General Fund.
- Unencumbered Balance of Appropriations—Safety—Loan Funds.
- Unencumbered Balance of Appropriations—Supplies—Loan Funds.
- To Reserve for Contracts—Safety—General Fund.
- Reserve for Contracts—Supplies—General Fund.
- Reserve for Contracts—Safety—Loan Funds.
- Reserve for Contracts—Supplies—Loan Funds.

## 2. REGISTER AND SCHEDULE OF ORDERS—CONTRACT AND OPEN MARKET (FORMS 7 AND 7A)

The purpose of the register of orders (Forms 7 and 7A) is twofold: (1) to provide a complete record and numerical index to files of orders issued; (2) to establish totals of estimated or actual amounts by means of which the accuracy of postings to reserves set up against appropriation accounts, as well as the postings of orders to the contract ledger and the claimant's ledger, may be proved. Orders should be entered chronologically, one line for each order, under one series of order numbers, beginning with number 1 at the first of the year or with any other number if it is desired to continue a series already begun.

It is recommended that a loose leaf form of register be used so that the register and a schedule may be made at one writing by means of a carbon sheet. A schedule of orders must be transmitted to the department of city controller as soon as enough orders have been issued to fill or nearly fill a schedule, but not less often than twice a month.

Departments which purchased their supplies through the department of supplies will not use this register of orders (Form 7) to register the copies of orders issued by the latter department. The department of supplies will register and schedule to the controller all orders issued for supplies whether for its own use or for the use of other departments. The copy of order sent to departments as an advice of the issue of an order by the department of supplies will be registered by each department in a separate register kept for that class of orders. The use of this register will be exactly similar to that of the register of orders (Form 7) de-

scribed above with the exception that no schedule of the entries therein will be transmitted to the city controller, and the postings made therefrom will be only to memorandum appropriations accounts (department of supplies appropriations).

As the columnar arrangement of the register of an operating department or bureau for department of supplies orders will be the same as the register (Form 7) designed for orders issued direct by departments, the loose sheets of the latter may be used for both purposes and kept in separate binders or in one binder separated with a tab or guide sheet.

If a department feels that the time elapsing between the issue of a requisition on the department of supplies and the receipt of the copy of order therefrom is too long to delay encumbering the memorandum appropriation accounts the requisition rather than the order may be used for this purpose. It must be pointed out, however, that if requisitions instead of orders are used to encumber department of supplies appropriations the results in many cases will not be as satisfactory as if orders were used. For example, requisitions for supplies not on contract at the time of issuing the requisition will have to be held open or posted to some suspense account, because the department issuing the requisition will not know at the time whether the supplies requested are to be purchased on contract or open market order. This information is necessary to determine whether the charge should be made to the appropriation ledger as a contract or as an open market order encumbrance, and also whether the charge should be made to a new account in the contract ledger or to some account in the claimant's ledger as an open market order. The price at which to estimate the amount of the order will, likewise, be unknown at the time the requisition is issued. But an estimate must be made of the amount of each requisition if it is to be set up at once as an encumbrance against some appropriation, and this estimated amount may be subject to great fluctuations from the amount of the order as issued by the department of supplies.

Considering these difficulties it would seem more satisfactory to a department to use only the copy of order from the department of supplies when setting up the encumbrance for orders issued. As requisitions are issued on the department of supplies a copy thereof could be placed in a binder, and when a copy of the order is received from the purchasing department the copy of requisition could be taken from the binder and attached to the order, which latter would be registered and placed in a temporary file pending the receipt of the goods ordered. The order would thus become the encumbrance against the particular appropriation account affected. If, pending the receipt of the copy of order from the department of supplies, it is desired to know the available balance in an appropriation for further orders, there could be deducted from the unencumbered balance as shown by the appropriation ledger the estimated amount of the requisitions chargeable to that particular appropriation pending in the requisition binder. To facilitate ready reference to this binder it could be divided into as many sections as there are department of supplies appropriation items, and the sections indicated by division sheets with tabs. In this way a department would know at all times the state of its fund accounts with the department of supplies, and it would be much easier to maintain a constant balance between the latter department and other departments and bureaus.

The order numbers are serially entered in the first column to the left. The number of the requisition on which the order is based appears in the second column, with the day of the month in which the order is issued appearing in the third column. The name of vendor and the purpose for which the order was issued, being a brief description of the articles or services required, will appear in the next two columns respectively, with another column headed "Memo" in which may be noted any further information relating to the orders. In the column headed "General, Loan or Special and Trust Item No." will be entered the number of the appropriation item from which the order is payable.

In the next four columns under the main heading "Estimated or Actual Cost" will be entered the estimated cost of the order or the actual cost if that is known in advance. If the

order is drawn against a contract chargeable to a general fund appropriation account it will be entered in the column headed "Contract" under "General Fund;" if chargeable to a loan fund account it will be entered in the column headed "Contract" under "Loan Fund." If it is an open market order it will be entered in the column headed "Open Market" under "General Fund" or "Loan Fund," according to the fund to which it is chargeable. In the column headed "Goods Inspected" will be noted the fact of inspection of the goods delivered on the order. Vouchers transmitted to the controller in settlement of claims based on orders filled or completed will be indicated in the last two columns of the register of orders.

At the end of a month, after all orders issued during the month and chargeable in the month are entered, the register of orders is totaled in all of the columns and the totals entered in ink.

No posting of contract orders issued will be made to the detail fund ledgers, nor will the totals thereof be journalized for posting to the general ledger. It is not thought expedient at this time to set up in the general ledger any account for "Reserve for Contract Orders." Instead of encumbering the "Reserve for Contracts" account with the estimated or actual amount of contract orders issued, as shown in the register of orders, this account is debited with the actual amount of contract vouchers settled each month as shown in the register of vouchers, the operation of which is explained in detail under 5 below.

From the register of orders, therefore, the following journal entry only is made, to be entered in the general journal and posted to controlling accounts in the general ledger at the close of each month:

Unencumbered Balance of Appropriations—Safety—General Fund.  
 Unencumbered Balance of Appropriations—Supplies—General Fund.  
 Unencumbered Balance of Appropriations—Safety—Loan Funds.  
 Unencumbered Balance of Appropriations—Supplies—Loan Funds.  
     To Reserve for Open Market Orders—Safety—General Fund (column 9).  
     Reserve for Open Market Orders—Supplies—General Fund (column 9).  
     Reserve for Open Market Orders—Safety—Loan Funds (column 11).  
     Reserve for Open Market Orders—Supplies—Loan Funds (column 11).

No journal entry is made from the register of orders setting up a reserve for contract orders, as that liability is obtained from the register of contracts.

### 3. REGISTER AND SCHEDULE OF INVOICES AND PAYROLLS (FORMS 8 AND 8A)

The purposes of the register of invoices and payrolls (Form 8) are:

1. To provide a complete record and index to files of invoices and payrolls; and
2. To establish totals for monthly journal entries to the general ledger which contains controlling accounts by means of which the accuracy may be proved of the postings of invoices, and payrolls to the detail ledgers of "Expense," "Property," "Work in Progress" (jobs) and "Stores."

In addition to invoices received from vendors, and payrolls, all other miscellaneous liabilities as incurred should be entered upon the register and schedule of invoices and payrolls.

There are two registers of invoices—one for the invoices covering material purchased directly by a department or bureau and called invoices "Safety" or "Works" or "Health and Charities," or other short departmental title according to the name of the department, and the other for invoices covering material purchased for a department or bureau by the department of supplies which are called "Supplies" invoices.

As soon as there are enough invoices on hand as nearly to fill a register sheet and not less frequently than twice a month in larger bureaus and once a month in the departments and bureaus having very few invoices, a schedule of invoices (Form 8A) shall be prepared and

sent to the city controller's office. This schedule must show all the entries on the register of invoices at the time the schedule is transmitted. The forms are so designed that the schedule is a carbon copy of the register. "Supplies" invoices must be registered and scheduled separately, but in the same manner as departmental invoices by the department receiving the goods and the schedules transmitted to the city controller's office in the same manner as the schedules of departmental invoices.

It will only be necessary for the department of supplies to register and schedule the invoices for goods delivered to it for its own use and for its own payrolls and miscellaneous liabilities incurred.

Commencing with the first of the year a series of schedule numbers will be started beginning with No. 1 for the departmental schedules, and No. 1 S for the "Supplies" schedules. This schedule number will be noted on the register as well as on the schedule. The date of transmission of the schedule will also be noted upon the register; both of these notations being made in the space in the upper left-hand corner, provided for the purpose. The date of the schedule should be the same as the date of transmission to be written on the register, and in the event of schedules being transmitted once a month they should bear the date of the last day of the month.

The register of invoices lays the foundation for a proper separation of expenditures by months. To this end the invoice for an expense incurred in December ought to be entered upon the December and not the January or a subsequent register. The latter event would not occur if invoices were at all times delivered with the goods and promptly prepared for registering. *Upon the handling of invoices in the same accounting month in which the expense is incurred depends the value of comparisons between month and month, year and year. Every effort should be made to have all invoices for goods delivered in December, for instance, registered on the December register.* For such large charges as the monthly lighting bills, etc., it is essential that the register for a given month be kept open until the bills for that month can be entered. The bookkeeper will have to exercise some judgment, however, as to how long he can afford to keep registers open in order to get in delinquent invoices, before he closes his register of invoices for the month; but in doing so he should bear constantly in mind the comparisons which are to be made of monthly expenses and monthly acquisitions of property as will be shown by the reports drawn from his detail ledgers.

The procedure to follow in registering invoices is first, to post in the column No. 1 the number given by the bookkeeper to the invoice, then in column No. 4 headed "Registration," the date upon which the invoice was actually entered in the register, in column No. 5 the date of the invoice itself, and in column No. 6 the date of the delivery of the goods if such date differs from that of the invoice.

The second and third columns under the heading "Voucher" are for reference only, and will not be filled in until after the voucher covering the invoices has been prepared and registered. These two columns are primarily for the use of the city controller's office, but may be used to advantage by the bureau to indicate, by entering the number of the voucher when drawn, the invoices that have gone to payment. The date of delivery of goods in the sixth column is to indicate whether the rule requiring deliveries to be accompanied by invoices is being complied with.

Column No. 7 is for the number of the order which the invoice covers (either partly or completely). Under "Claimant" will be entered the name of the claimant from whom the purchase is made. At the right-hand end of the line note the number of the appropriation item to which the invoice is to be charged when it is vouchered. If the invoice is chargeable to a general fund appropriation the amount will be entered in the column headed "General Account;" if chargeable to a loan fund appropriation it will be entered in the column headed "Capital Account;" if chargeable to a special and trust fund appropriation it will be entered in the column headed "General Account" and indicated with the Special and Trust

Account symbol in order that separate totals for the General Account and Special and Trust Accounts may be secured. This information is derived from the appropriation item number which the invoice bears.

The five columns under "Distribution" are provided to indicate the nature of the expenditure accounts to which the invoices and payrolls are chargeable. All invoices chargeable strictly to "Expense" and bearing an expense symbol or name should be entered in the column headed "Expense." The four blank columns following that headed "Expense" are for such invoices as are properly distributable to "Work in Progress" (jobs), and "Stores" accounts, "Property," for which there are respective ledgers and for which headings to the columns should be written on each sheet of the register, care being taken to keep the position of the column so headed relatively the same sheet by sheet. The invoice bears a symbol or a job name that will determine the column and ledger in which the charge is to be distributed. Occasionally the charges on an invoice are distributed to two or more kinds of accounts and will therefore be distributed on the register and schedule in two or more of the distribution columns.

*The labor and salary rolls are entered on the register and schedule of invoices and payrolls as if they were invoices, except that there will not be posted any invoice number, order number, date of registration, or claimant.* Note whether the roll is for labor or for salary and the dates of the period which the roll covers. The distribution of the rolls to the columns for the different controlling accounts and detail ledgers is obtained in totals for each roll, from the time sheet or other document in which the charges on the roll to each symbol or name of account are summarized by accounts. The entry of the payrolls upon the register is made preferably at the end of the month after all the invoices to be taken into account for that month have been registered. The payrolls are entered only on the departmental register and schedule, as there are no purchases of personal services by the department of supplies for other departments and bureaus.

If the amount of an invoice entered on a register and schedule *previous to that of the current month* has to be changed by reason of an error in price or calculation, or for any other reason, the increase or decrease will be noted against the original entry in red ink as a memorandum *only*, giving amount and date of change. An entry covering the adjustment will be made in the adjustment of invoice columns of the voucher register. If the invoice is cancelled the word "Cancelled" and the date of cancellation should be noted against the entry. If an invoice already entered on a *current register and schedule, however*, has to be changed in amount the register should be changed to agree with the invoice as corrected, and a note made of the original amount of the invoice in the "Memo" column; if cancelled leave the number of the invoice as originally entered and draw a line in red ink through the remainder of the entry and write "cancelled" in the "Memo" column, giving the date of cancellation.

When there is such a number of invoices for a month that they cannot be listed on one sheet of the register, take second or third sheets, giving them in the upper left-hand corner the same number and date as that borne by the first. If there is more than one sheet it is well to give the first sheet and each succeeding one consecutive sheet numbers at the upper right-hand corner. When a register and schedule is to consist of more than one sheet leave two lines blank at the bottom of each sheet, and one line at the top of each after the first, for bringing forward totals. At the end of the month total all the columns, bringing forward the footings from sheet to sheet. The combined totals of all the columns to the right of those headed general account, capital account and special and trust account should agree with the combined totals of these three columns. When this agreement is arrived at the register itself is in balance. There is no way of checking from totals the accuracy of the distribution of amounts posted in the columns headed general account, capital account and special and trust account. Consequently special care should be taken in making these entries. It should be seen at the end of the month that the postings are in the proper account columns as called for by the appropriation item numbers noted in the claimants' column.

From the register of invoices and payrolls, the following general journal entries are made:

Expenses—General Account.  
Stores—General Account.  
Work in Progress—General Account.  
Reserve for Repairs—General Account.  
Postage and Transportation—General Account.  
Cost of Manufactured Goods (or Crops) Sold (or Consumed)—General Account.  
Accounts Receivable—General Account.  
Abatement of Revenue—General Account.  
Services Rendered to Other Bureaus—General Account.  
Land, Structures, other Improvements and Equipment—Capital Account.  
Reserve for Depreciation—Capital Account.  
To Invoices and Payrolls Payable—Safety—General Account.  
Invoices Payable—Supplies—General Account.  
Invoices and Payrolls Payable—Safety—Capital Account.  
Invoices Payable—Supplies—Capital Account.

In connection with the above entry it will be necessary in most cases to make another journal entry in order to keep the debits and credits of the general account and of the capital account in balance, and to show the net amount of inter-account transactions. If there are no special and trust account transactions entering into the above, the amount of the journal entry for the advances is secured by taking the difference between the sum of the general account debits and the sum of the general account credits of the invoices payable journal entry. If the general account credits exceed the general account debits there has been a net use of general account funds for capital account (permanent improvements) and the amount thereof should be entered in the former of the following alternate journal entries. If the general account debits exceed the general account credits there has been a net use of capital account funds for current purposes, and the amount thereof should be entered in the latter of the following alternate journal entries. In any mixed journal entry, such as the one above where the debits and credits of the general account or of the capital account do not balance (though, of course, the total debits and credits of the whole journal entry must always balance) a collateral entry for advances to and from must be used.

Advances to Capital Account—General Account,  
To Advances from General Account—Capital Account.  
For general account expenditures for capital account purposes.  
or  
Advances to General Account—Capital Account.  
To Advances from Capital Account—General Account.  
For capital account expenditures for general account purposes.

The same procedure is applicable to special and trust accounts as outlined above for the general and capital accounts.

#### 4. REGISTER AND SCHEDULE OF INVOICES SENT TO DEPARTMENT OF SUPPLIES

Invoices for goods or services ordered by the department of supplies for other departments or bureaus in its capacity as purchasing agent are received by the operating department with the goods and, after approval as to quantity and quality, are registered by the operating department as "supplies" invoices in the register of invoices—supplies (see description of register and schedule of invoices and payrolls).

When these "supplies" invoices are ready for transmittal to the department of supplies, they are to be registered and scheduled in the register and schedule of invoices sent to

department of supplies, the form of which is similar to the register and schedule of vouchers (Forms 9 and 9A). These forms can be used simply by striking out the word "vouchers" in the title and inserting the words "invoices to department of supplies."

The monthly journal entries from this register are as follows:

Invoices payable—Supplies—General Account.

Invoices payable—Supplies—Capital Account.

To Invoices sent to Department of Supplies—General Account.

Invoices sent to Department of Supplies—Capital Account.

and

Unencumbered Balance of Appropriations—Supplies—General Fund (column 7).

Unencumbered Balance of Appropriations—Supplies—Loan Funds (column 10).

Reserve for Contracts—Supplies—General Fund (column 5).

Reserve for Contracts—Supplies—Loan Funds (column 8).

Reserve for Open Market Orders—Supplies—General Fund (column 16).

Reserve for Open Market Orders—Supplies—Loan Funds (column 17).

To Budget Allowance—Supplies—General Fund (total of columns 5, 6 and 7).

Budget Allowance—Supplies—Loan Funds (total of columns 8, 9 and 10).

\*Unencumbered Balance of Appropriations—Supplies—General Fund (column 16 minus column 6).

\*Unencumbered Balance of Appropriations—Supplies—Loan Funds (column 17 minus column 9).

Any adjustments in invoices that are made after they have been received by the department of supplies may be obtained by the operating department or bureau from the adjustment in invoice columns of the schedule copies that it receives from the department of supplies' register of vouchers sent to city controller. A recapitulation of these adjustments must be made monthly, and a general journal entry prepared thereof similar to that for the same columns of the departmental register of vouchers sent to city controller (see below).

#### 5. REGISTER AND SCHEDULE OF VOUCHERS SENT TO CITY CONTROLLER (FORMS 9 AND 9A)

The forms of register and schedule of vouchers (Forms 9 and 9A) are so designed that the register and the schedule may be made at one writing by means of a carbon sheet. Vouchers should be transmitted with the schedule to the department of city controller. A schedule must accompany each consignment of vouchers to the city controller, even if only one voucher be transmitted at a time. At the end of each month, without fail, all vouchers registered under date of the month closed must have been scheduled to the department of city controller. The controller will thus have the same monthly totals of vouchers drawn as the department drawing them, and the books of both will be kept in constant agreement.

The department of supplies will register in its register of vouchers all vouchers for supplies, etc., which it sends to the city controller, whether purchased for its own use or for other departments. Departments which purchase their supplies through the department of supplies will enter in their register of vouchers only those vouchers which are prepared in their own departments for expenditures incurred by them direct and not through the department of supplies.

In order that there may be constant agreement between the books of the department of supplies and the books of the several departments for which the former department acts as

\*Accounts marked thus \* indicate that the estimated or actual amount of the open market orders liquidated was greater than the actual amount of the invoices sent to department of supplies. These accounts may be reversed, that is, become debit entries if the invoices exceed the amount of the orders on which they are based, in which latter case the amount of these adjustments should be combined with the first and second debits of the entry outlined above.

the purchasing agent it will be necessary for the department of supplies to currently inform the other departments of the vouchers passed and transmitted to the city controller for settlement for each department respectively. This will be accomplished by the department of supplies making two schedule copies of each register of vouchers, the first copy for transmission to the city controller with the vouchers and the second for transmission to the department or bureau for which the goods or services represented by the vouchers were purchased, and which has approved the invoices included thereon.

A series of schedule numbers should be established by each department, and these numbers should be inserted at the head of the register and schedule in the space provided therefor. The date of transmittal, which on the schedule is called the "Date of schedule," is also to be noted by the department transmitting the schedule.

The number of the voucher registered will be entered in the column headed "Voucher No." and in the second column will be noted the date of registration, which is the date under which the voucher is charged against the general fund or loan fund appropriation account.

The third column will show the name of the claimant.

In the fourth column under "General, Loan or Special and Trust Item No." will be noted the number of the general fund, loan fund or special and trust fund appropriation account chargeable, or if there is no number, the title of the account may be abbreviated thereunder.

In the six columns under the main heading "amount of voucher," which is divided into "General Fund," "Loan Funds" and "Special and Trust Funds," and again sub-divided under each fund into "Contract," "O. M. Order," and "Payroll and Miscellaneous," will be entered the audited amount of all vouchers transmitted to the controller for payment. Vouchers issued on contract or open market order will be entered in the respective columns designated under the particular fund from which the vouchers are payable. Vouchers for payroll and miscellaneous purchases or services not received on contract or open market order will be entered in the "Payroll and Miscellaneous" column under "General Fund," "Loan Fund," or "Special and Trust Fund," as the case may be.

The purpose of the columns headed "Invoices or claims" is to take care of adjustments, if any, between the invoices as scheduled to the department of city controller and the invoices as vouchered. It is for adjusting purposes only and in scheduling the voucher, if it has been found necessary in auditing within the department to make any changes either in the amount of the invoice or in the title of the general ledger account (i. e., expense, stores, work in progress, etc.) to which it has been charged, such change should be noted in these columns. Not only should the difference between the amount previously reported on the schedule of invoices and the amount found to be correct after audit, be entered in the "added to invoice" column, but the title of the general ledger account affected should also be noted.

In the column headed "Order No." there will be entered the number of the order covered by the voucher, and in one of the next two columns there will be entered the amount of the order as originally estimated. If the order is chargeable to a general fund appropriation account the amount thereof will be noted in the column "General Fund;" if chargeable to a loan fund item the amount of the order will be entered in the column "Loan Funds." The amount settled by voucher may be more or less than the estimated amount of the open market order liquidated on which the voucher is based. This difference between the amount of the settlement voucher and the amount of the order must be adjusted by journal entry at the close of each month, as found from totals of the register of vouchers.

The totals of the register of vouchers for the month will be entered in ink. These totals will form the basis for the following entries in the general journal to be posted to their respective controlling accounts in the general ledger:



Invoices and Payrolls Payable—Safety—General Account.  
 Invoices and Payrolls Payable—Safety—Capital Account.  
 To Vouchers sent to City Controller—General Account.  
 Vouchers sent to City Controller—Capital Account.

and

Unencumbered Balance of Appropriations—Safety—General Fund (column 7).  
 Unencumbered Balance of Appropriations—Safety—Loan Funds (column 10).  
 Reserve for Contracts—Safety—General Fund (column 5).  
 Reserve for Contracts—Safety—Loan Funds (column 8).  
 Reserve for Open Market Orders—Safety—General Fund (column 16).  
 Reserve for Open Market Orders—Safety—Loan Funds (column 17).  
 To Budget Allowance—Safety—General Fund (total of columns 5, 6 and 7).  
 Budget Allowance—Safety—Loan Funds (total of columns 8, 9 and 10).  
 \*Unencumbered Balance of Appropriations—Safety—General Fund (column 16 minus 6).  
 \*Unencumbered Balance of Appropriations—Safety—Loan Funds (column 17 minus 9).

#### 6. REGISTER AND SCHEDULE OF REDUCTIONS IN CONTRACT RESERVES (FORMS 10 AND 10A)

The purpose of this register is to provide a complete record of all reductions in contract reserves and to establish totals by means of which the accuracy of the postings to the general fund, loan funds and special and trust funds appropriation ledgers and the contract ledger is proved.

A loose leaf form is recommended so that a register and schedule can be made at one writing by means of a carbon sheet. As soon as enough entries have accumulated to fill or nearly fill a sheet, the schedule should be transmitted to the department of city controller.

In some cases it may be necessary for the city controller to require that the schedule be supplemented with a further statement.

In the first column, "Date of Registration," is noted the date on which the reduction in the contract is registered.

In the second column is placed the "City Controller's Contract Number."

In the column under "Contractor" is entered the name of the individual, firm or corporation whose contract has been reduced, and in the next column will be entered the number of the contract.

In the fourth column is noted the item number of the appropriation affected by the reduction in the contract reserve.

Under the main heading, "Amount of Reduction," and in the column "General Fund," or "Loan Funds," as the case may be, the amount of the reduction is noted.

If the contract reduced is chargeable to a general fund appropriation account, the amount of the reduction is entered in the "General Fund" column; if the contract reduced is chargeable to a loan fund account, the amount of the reduction is entered in the "Loan Funds" column.

The column headed "Item Totals" shows the totals by appropriation item numbers.

It is necessary for the department of supplies in writing its register and schedule of reductions in contract reserves to indicate the department or bureau affected by the reductions in the column headed "Remarks," and to make an extra copy of the schedule for transmittal to the

\*Accounts marked thus \* indicate that the estimated or actual amount of the open market orders liquidated was greater than the amount of the vouchers sent to city controller. These accounts may be reversed, that is, become debit entries if the vouchers sent to city controller exceed the amount of orders on which they are based, in which latter case the amount of these adjustments should be combined with the first and second debits of the entry outlined above.

department or bureau whose appropriation accounts are affected thereby and to prepare separate schedules for each department or bureau, thus providing the means whereby they keep their accounts in constant agreement with the department of supplies by making journal entries similar to those given below.

Before transmitting schedules of reductions in contract reserves they must be certified to and approved by the proper certifying and approving officers in the departments in which they originate. Space for certification and approval is provided at the bottom of the register and schedule.

The totals of the register of reductions in contract reserves are entered in ink and form the basis for the following journal entry:

Reserve for Contracts—Safety—General Funds.  
 Reserve for Contracts—Safety—Loan Funds.  
 To Unencumbered Balance of Appropriations—Safety—General Fund.  
 Unencumbered Balance of Appropriations—Safety—Loan Funds.

#### 7. REGISTER AND SCHEDULE OF SERVICES RENDERED OTHER BUREAUS (FORMS 11 AND 11A)

The register and schedule of services rendered other bureaus (Forms 11 and 11A) provide for the registration of services, materials, supplies, etc., transferred to another bureau in accordance with the procedure laid down in Chapter IV, under the classification of expenditures by character.

The monthly totals from the register should be journalized as follows:

Services Rendered other Bureaus—General Account.  
 To Expense—General Account.  
 Stores—General Account.  
 Work in Progress—General Account.  
 Reserve for Repairs—General Account.  
 Land, Structures, other Improvements and Equipment—Capital Account.  
 Reserve for Depreciation—Capital Account.

and

Advances to General Account—Capital Account.  
 To Advances from Capital Account—General Account.

#### 8. REGISTER AND SCHEDULE OF SERVICES RECEIVED FROM OTHER BUREAUS (FORMS 12 AND 12A)

This register provides for a current record of all inter-departmental invoices for services, materials, supplies and equipment received from other departments and bureaus, and for such transfers of the custodianship of land, structures, non-structural improvements and other immovable properties belonging to the city as may be made to it.

The monthly totals drawn from this register produce the following journal entry:

Expenses—General Account.  
 Stores—General Account.  
 Work in Progress—General Account.  
 Reserve for Repairs—General Account.  
 Land, Structures, other Improvements and Equipment—Capital Account.  
 Reserve for Depreciation—Capital Account.  
 To Services Received from other Bureaus—General Account.

and

Advances to Capital Account—General Account.  
 To Advances from General Account—Capital Account.

## 9. MONTHLY REPORT OF STORES ISSUED FROM STOREHOUSE (FORM 13)

The monthly report of stores issued from storehouse (Form 13) is prepared from the several ledgers to which the original requisitions on storehouse have been posted. The preparation of this report is a very simple matter, as the ledgers are so designed as to provide an account with each main class of object of expenditure chargeable to any function or account. A copy of the report for the city controller is made by using carbon paper.

The main part of the form provides for a functional distribution of stores, but in the upper right-hand corner is shown the distribution of the stores issued by character of expenditure and including all stores consumed, sold or transferred according to any of the accounts listed under "Recapitulation by Character."

The charges to the respective accounts in the general ledger are made from this monthly report through the general journal as follows:

Expenses—General Account.  
Reserve for Repairs—General Account.  
Accounts Receivable—General Account.  
Work in Progress—General Account.  
Cost of Goods (or Crops) Sold (or Consumed)—General Account.  
Services Rendered other Bureaus—General Account.  
Land, Structures, other Improvements and Equipment—Capital Account.  
Reserve for Depreciation—Capital Account.  
To Stores—General Account.

and

Advances to Capital Account—General Account.  
To Advances from General Account—Capital Account.

Purchases of stores ordinarily being made from general account money, only one stores account is necessary in the general ledger and that in the general account. In the event of the purchase of stores with loan funds—capital account money, the same should be charged to the general account in the register of invoices and the balance between the general account and capital account adjusted by journal entry, showing advances between general and capital account.

Similarly, when stores are issued and converted into permanent property (as shown above in the journal entry by the charge to property) the amount charged to property will give rise to an advance from the general account to the capital account and the collateral journal entry shown above will be required to balance the accounts.

The monthly report of stores issued from storehouse shows the *net* amount of stores issued by deducting the amount of stores returned during the month, as shown by the red ink entries, from the gross amount of stores issued; therefore, it is unnecessary to prepare a further report of stores returned to storehouse.

If it should occur that a net credit appeared on a monthly report of stores issued, the journal entry would be the reverse of those described under that report.

## 10. REGISTER AND SCHEDULE OF RESERVES FOR REPAIRS AND DEPRECIATION (FORMS 14 AND 14A)

This register provides a means for obtaining currently each month the amounts to be set aside in reserves for repairs and depreciation and the corresponding charges to expense for the estimated amount of repairs that should be made and depreciation that has occurred in the period. See the definitions in Chapter I, Chapter XIII on Inventories and Transfers of Property and Chapter XV on Rates of Depreciation.

The register and schedule of reserves for repairs and depreciation is designed to show both the amount of the reserves for repairs and for depreciation on separate portions of the same sheet. The several columns of this form are used as follows:

Column 1—For the title of the general property or equipment class;  
Column 2—For the book value (at cost) of each class of property or equipment, as indicated by the class title;  
Column 3—For the estimated percentage of the annual reserve for repairs;  
Column 4—For the monthly proportion of the annual percentage of reserve for repairs;  
Column 5—For the amount of the monthly reserve for repairs;  
Column 6—For the estimated percentage of the annual reserve for depreciation;  
Column 7—For the monthly proportion of the annual percentage of reserve for depreciation;  
Column 8—For the amount of the monthly reserve for depreciation.

The amounts of reserves for repairs are posted monthly to the credit of the detail reserve for repairs accounts in the "reserves for repairs and depreciation" ledger (for further details, see Chapter VII) and to the debit of the proper detail accounts in the expense ledger. By this method provision is currently made for the repair of properties and equipment, actual expenditures for which are very heavy in some months and very light in others.

The general journal entry for the monthly total of this register for the reserve for repairs is as follows:

Expenses—General Account.  
To Reserve for Repairs—General Account.

The amount of depreciation is similarly extended upon a monthly basis. As depreciation is chargeable to depreciation expense—general account, no detail debit is necessary, but detail credit postings are required to the detail depreciation accounts of the "reserve for repairs and depreciation" ledger.

The general journal entry for the monthly total of the reserve for depreciation of this register is as follows:

Expenses—General Account.  
To Reserve for Depreciation—Capital Account,  
and  
Advances to General Account—Capital Account.  
To Advances from Capital Account—General Account.

## 11. REGISTER AND SCHEDULE OF REVENUE ACCRUALS (FORMS 15 AND 15A)

The purpose of this register and schedule is to provide a complete list of all the various revenues accruing to a department or bureau.

The several columns of this form are as follows:

Column 1—Date;  
Column 2—Kind of revenue;  
Column 3—Source of revenue;  
Column 4—Total of revenue accruals for the month;  
Column 5—Revenues accrued, not due;  
Column 6—Reserve for unaccrued revenues;  
Columns 7 to 11—Revenue accounts in detail.

The monthly journal entry for revenue accrual is:

Receiver of Taxes—General Account.  
Revenues Accrued, not due—General Account.  
Accounts Receivable—General Account.  
To Revenue—General Account.

## 12. REGISTER AND SCHEDULE OF INCOME—ACCOUNTS RECEIVABLE (FORMS 16 AND 16A)

The register and schedule of income (accounts receivable) provides for the registration of all accounts receivable of the department and bureau. Besides the accounts receivable applicable to the revenue account, accounts of this nature may be applicable to expense, as a credit for an abatement of expense; to surplus for the addition to a delinquent account receivable; to property as a credit to that account; or they are applicable to some other account of a similar nature. They include additions to delinquent taxes, additions to delinquent water rents, water bills, etc., additions to delinquent personal property taxes, abatements of expense, such as amounts due from public or private corporations for principal, sinking fund, or interest charges on City loans under assumed liability, and any amounts that may be due from the transfer or sale of property.

The columns of the register and schedule of income are as follows:

- Column 1—Date;
- Column 2—Number of document;
- Column 3—From whom receivable;
- Column 4—Nature of income;
- Column 5—Total amount receivable;
- Column 6—Revenue;
- Column 7—Revenue accrued, not due;
- Column 8—Reserve for unaccrued revenue.

The general journal entry from this register and schedule is:

- Accounts Receivable—General Account.
- Revenues Accrued, Not Due—General Account.
- To Revenue—General Account.
- Expenses—General Account.
- Reserve for Unaccrued Revenues—General Account.
- Investment of the City—General Account.

## 13. REGISTER AND SCHEDULE OF CASH TRANSACTIONS (FORMS 17 AND 17A)

The purpose of this register and schedule is to provide a chronological record of all cash receipts and disbursements. The schedule (Form 17A) aims to standardize the many different kinds of forms upon which cash returns have heretofore been made by the several departments, bureaus and offices, to the city controller. Upon the reverse side of the schedule space is provided for the affidavit of the official charged with the responsibility of making cash returns, the city controller's acknowledgement and for the certificate of the city treasurer.

A series of schedule numbers should be established by each department, and these numbers should be inserted at the head of the register and schedule in the space provided therefor. The date of transmittal is also to be noted by the department transmitting the schedule.

Monthly posting at the end of each month, or oftener if desirable, is made to the various cash accounts in the cash ledger, according to the columnar headings, direct from the register of cash transactions, and the total of all accounts as distributed should be in agreement with the controlling account "cash" in the general ledger.

From the register of cash transactions, the following entries are made in the general journal and posted to the controlling accounts in the general ledger, the summaries of the columns "total amount received" as a debit and the total amount paid to city treasurer as a credit.

- Cash—General Account.
- Cash—Capital Account.
- Cash—Special and Trust Account.

- To Accounts Receivable—General Account.
- Accounts Receivable—Capital Account.
- Accounts Receivable—Special and Trust Account.

For cash received during month of.....19...

- City Treasurer—General Account.
- City Treasurer—Capital Account.
- City Treasurer—Special and Trust Account.
- To Cash—General Account.
- Cash—Capital Account.
- Cash—Special and Trust Account.

For cash paid to city treasurer during month of.....19...

The purpose of the several columns of the register and schedule of cash transactions are as follows:

- Columns 1, 2 and 3—For date (month, day and year) upon which cash is received;
- Column 4—For name of person from whom received;
- Column 5—For nature of receipts. This column may be used when it is found that a further analysis of receipts than is provided for by columnar headings is desirable;
- Column 6—For total amount received;
- Columns 7, 8, 9, 10, 11 and 12—For the distribution of receipts according to the several headings indicated;
- Column 13—For date of payment to city treasurer;
- Column 14—For amount paid to city treasurer.

In the event of moneys collected on behalf of the city by a department and same deposited in banks or otherwise disposed of as may be required by law and not paid to the city treasurer, that fact is to be indicated on the register and schedule accordingly.





[illegible]

FORMS 7 AND 7A--THE ACTUAL SIZE OF THE FORM FOR THE REGISTER AND SCHEDULE OF ORDERS IS 17" X 22".

[illegible]

FORMS 8 AND 8A—THE ACTUAL SIZE OF THE FORM FOR THE REGISTER AND SCHEDULE OF INVOICES IS 17" X 22".



FORM No. 10 A

CITY OF PHILADELPHIA

SCHEDULE No. ....

DATE OF TRANSMISSION .....

SCHEDULE OF REDUCTIONS IN CONTRACT RESERVES

DEPARTMENT OF PUBLIC WORKS—BUREAU OF HIGHWAYS

SHEET No. ....

OF ..... SHEETS

DATE OF REGIS- TRATION	CITY CON- TRACT NO.	CONTRACTOR	APPRO- PRIATION ITEM NO.	AMOUNT OF REDUCTION		ITEM TOTALS	REMARKS
				GENERAL FUND	LOAN FUNDS		
○							
○							
○							
○							

I HEREBY CERTIFY THAT THE ABOVE IS AN ACCURATE STATEMENT OF ALL ANNUALMENTS, REDUCTIONS AND RELEASES FOR THE PERIOD NAMED AFTER DUE NOTICE TO THE CONTRACTOR AND IN ACCORDANCE WITH LAW, AND REQUEST THESE AMOUNTS BE RE-CREDITED BY THE CITY CON- TROLLER TO ITEM NUMBERS SHOWN ABOVE.

APPROVED :

CHIEF, BUREAU OF HIGHWAYS

DIRECTOR, DEPT. OF PUBLIC WORKS

FORM 10A (YELLOW PAPER)—THE ACTUAL SIZE OF THE SCHEDULE OF REDUCTIONS IN CONTRACT RESERVES IS 11" X 12 1/2".

FORM No. 11

CITY OF PHILADELPHIA

SCHEDULE No. ....

DATE OF SCHEDULE .....

REGISTER OF SERVICES RENDERED OTHER BUREAUS

DEPARTMENT OF PUBLIC SAFETY—ELECTRICAL BUREAU

FOR THE MONTH OF ..... 19.....

SERV- ITION NUMBER	ORDER NUMBER	DATE RENDERED	DEPARTMENT OR BUREAU TO WHICH RENDERED	KIND OF SERVICES RENDERED, MATERIALS, SUPPLIES, ETC., TRANSFERRED	TOTAL	ACCOUNTS CREDITED			
						EXPENSE	STORES	LAND, STRUCTURES, IMPROVEMENTS AND EQUIPMENT	
○									
○									
○									
○									

CHIEF, BUREAU OF HIGHWAYS

DIRECTOR, DEPT. OF PUBLIC WORKS

FORM 11 (WHITE PAPER)—THE ACTUAL SIZE OF THE REGISTER OF SERVICES RENDERED OTHER BUREAUS IS 17" X 23".

FORM NO. 11A

CITY OF PHILADELPHIA

SCHEDULE OF

SERVICES RENDERED OTHER BUREAUS

DEPARTMENT OF PUBLIC SAFETY—ELECTRICAL BUREAU

SCHEDULE NO.

DATE OF TRANSMISSION

CERTIFIED CORRECT:

TITLE OF OFFICIAL CERTIFYING

FOR THE MONTH OF

19

REQU- SITION NUMBER	ORDER NUMBER	DATE RENDERED	DEPARTMENT, BUREAU OR OFFICE TO WHICH RENDERED	KIND OF SERVICES, MATERIALS, SUPPLIES OR PROPERTY TRANSFERRED	TOTAL	ACCOUNTS CREDITED			
						EXPENSE	STORES	LAND, STRUCTURES, EQUIPMENT AND IMPROVEMENTS	
25"	3/4"	1"	4"	8"	13/8"	13/4"	13/4"	13/4"	13/4"
○									
○									
○									
○									
○									

FORM 11A (YELLOW PAPER)—THE ACTUAL SIZE OF THE SCHEDULE OF SERVICES RENDERED OTHER BUREAUS IS 17" X 23".

FORM NO. 12

CITY OF PHILADELPHIA

REGISTER OF

SERVICES RECEIVED FROM OTHER BUREAUS

DEPARTMENT OF PUBLIC SAFETY—ELECTRICAL BUREAU

SCHEDULE NO.

DATE OF SCHEDULE

CERTIFIED CORRECT:

TITLE OF OFFICIAL CERTIFYING

FOR THE MONTH OF

19

REQU- SITION NUMBER	ORDER NUMBER	DATE RECEIVED	FROM WHICH DEPARTMENT, BUREAU OR OFFICE RECEIVED	KIND OF SERVICES, MATERIALS, SUPPLIES OR PROPERTY RECEIVED	TOTAL	ACCOUNTS DEBITED			
						EXPENSES	STORES	LAND, STRUCTURES, EQUIPMENT AND IMPROVEMENTS	
25"	3/4"	1"	4"	8"	13/8"	13/4"	13/4"	13/4"	13/4"
○									
○									
○									
○									
○									

FORM 12 (WHITE PAPER)—THE ACTUAL SIZE OF THE REGISTER OF SERVICES RECEIVED FROM OTHER BUREAUS IS 17" X 23".

FORM NO. 12A  
CITY OF PHILADELPHIA

SCHEDULE OF  
SERVICES RECEIVED FROM OTHER BUREAUS

DEPARTMENT OF PUBLIC SAFETY—ELECTRICAL BUREAU

SCHEDULE NO. ....  
DATE OF TRANSMISSION .....

FOR THE MONTH OF ..... 19 .....

CERTIFIED CORRECT:  
TITLE OF OFFICIAL CERTIFYING .....

REQUISITION NUMBER	ORDER NUMBER	DATE RECEIVED	FROM WHICH DEPARTMENT, BUREAU OR OFFICE RECEIVED	KIND OF SERVICES, MATERIALS, SUPPLIES OR EQUIPMENT RECEIVED	TOTAL	ACCOUNTS DEBITED			
						EXPENSES	STORES	LAND, STRUCTURES, MATERIALS, SUPPLIES AND EQUIPMENT	
2500	34	1	4	50	1500	1500	1500	1500	1500
0	0								
0	0								
0	0								

FORM 12A (YELLOW PAPER)—THE ACTUAL SIZE OF THE SCHEDULE OF SERVICES RECEIVED FROM OTHER BUREAUS IS 17" X 22".

FORM NO. 13  
CITY OF PHILADELPHIA

MONTHLY REPORT  
OF STORES ISSUED AND RETURNED

FOR THE MONTH OF ..... 19 .....

DEPARTMENT OF PUBLIC SAFETY—ELECTRICAL BUREAU

NOTE—ENTER STORES ISSUED IN BLACK INK, AND STORES RETURNED IN RED INK, AND SHOW THE NET AMOUNT.

CERTIFIED CORRECT:  
TITLE OF OFFICIAL CERTIFYING .....

OBJECT OF EXPENDITURE (SYMBOL)	TOTAL AMOUNT OF EACH OBJECT FROM STORES	CHARACTER OF EXPENDITURE WHERE STORES ARE CONVERTED INTO STRUCTURES, EQUIPMENT, ETC. SHOW HERE KIND OF PROPERTY BY CODE LETTER AND NUMBER	FUNCTIONS										TOTAL	
			1	2	3	4	5	6	7	8	9	10		
0														
0														
0														
0														
TOTALS														

FORM 13—THE ACTUAL SIZE OF THE MONTHLY REPORT OF STORES ISSUED AND RETURNED IS 17" X 22".

FORM NO. 14  
CITY OF PHILADELPHIA

REGISTER OF  
RESERVES FOR REPAIRS AND DEPRECIATION  
DEPARTMENT OF PUBLIC WORKS—BUREAU OF SURVEYS

SCHEDULE NO. ....  
DATE OF SCHEDULE ..... FOR THE MONTH OF ..... 19.....

TITLE OF PROPERTY CLASS	COST VALUE AT BEGINNING OF MONTH	RESERVE FOR REPAIRS			RESERVE FOR DEPRECIATION		
		YEARLY PER- CENTAGE	MONTHLY PER- CENTAGE	MONTHLY AMOUNT	YEARLY PER- CENTAGE	MONTHLY PER- CENTAGE	MONTHLY AMOUNT
○ ○							
○ ○							

FORM 14 (WHITE PAPER)—THE ACTUAL SIZE OF THE REGISTER OF RESERVES FOR REPAIRS AND DEPRECIATION IS 17" X 22".

FORM NO. 14 A  
CITY OF PHILADELPHIA

SCHEDULE OF  
RESERVES FOR REPAIRS AND DEPRECIATION  
DEPARTMENT OF PUBLIC WORKS—BUREAU OF SURVEYS

SCHEDULE NO. ....  
DATE OF TRANSMISSION ..... FOR THE MONTH OF ..... 19.....  
CERTIFIED CORRECT:  
TITLE OF OFFICIAL CERTIFYING

TITLE OF PROPERTY CLASS	COST VALUE AT BEGINNING OF MONTH	RESERVE FOR REPAIRS			RESERVE FOR DEPRECIATION		
		YEARLY PER- CENTAGE	MONTHLY PER- CENTAGE	MONTHLY AMOUNT	YEARLY PER- CENTAGE	MONTHLY PER- CENTAGE	MONTHLY AMOUNT
○ ○							
○ ○							

FORM 14A (YELLOW PAPER)—THE ACTUAL SIZE OF THE SCHEDULE OF RESERVES FOR REPAIRS AND DEPRECIATION IS 17" X 22".



FORM NO. 15

CITY OF PHILADELPHIA

REGISTER OF REVENUE ACCRUALS

DEPARTMENT OF PUBLIC WORKS—BUREAU OF CITY PROPERTY

SCHEDULE NO. ....

FOR THE MONTH OF ..... 19 .....

DATE OF SCHEDULE .....

DATE	KIND OF REVENUE	SOURCE	TOTAL REVENUE ACCRUALS	REVENUES NOT DUE	RESERVE FOR UNACCRUED REVENUES	REVENUE ACCOUNTS			
○ ○									
○ ○									
○ ○									
○ ○									
2 1/2"	4"	4 1/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"

FORM 15 (WHITE PAPER)—THE ACTUAL SIZE OF THE REGISTER OF REVENUE ACCRUALS IS 17" X 22".

FORM NO. 15A

CITY OF PHILADELPHIA

SCHEDULE OF REVENUE ACCRUALS

DEPARTMENT OF PUBLIC WORKS—BUREAU OF CITY PROPERTY

SCHEDULE NO. ....

FOR THE MONTH OF ..... 19 .....

DATE OF TRANSMISSION .....

CERTIFIED CORRECT:

TITLE OF OFFICIAL CERTIFYING .....

DATE	KIND OF REVENUE	SOURCE	TOTAL REVENUE ACCRUALS	REVENUES NOT DUE	RESERVE FOR UNACCRUED REVENUES	REVENUE ACCOUNTS			
○ ○									
○ ○									
○ ○									
○ ○									
2 1/2"	4"	4 1/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"	1 3/4"

FORM 15A (YELLOW PAPER)—THE ACTUAL SIZE OF THE SCHEDULE OF REVENUE ACCRUALS IS 17" X 22".





## CHAPTER VII

### DESCRIPTION AND USE OF DETAIL LEDGERS

THE purpose of the detail ledgers is to state in detail the transactions pertaining to every subject concerning which information is needed. The number and classification of the accounts in the detail ledgers depends on the number and classification of the subjects, concerning which administrative judgment is required. The accuracy of the postings to the several detail ledgers should be proven monthly by checking the monthly schedules of balances and totals thereof (Chapter X) to the respective controlling accounts in the general ledger.

The detail ledgers used are as follows:

1. Appropriation ledgers.
  - a. General fund.
  - b. Loan funds.
  - c. Special and trust funds.
2. Contract ledger.
3. Claimant's ledger.
4. Expense ledger.
5. Stores ledger.
6. Work in progress ledger.
7. Property ledger.
8. Reserve for repairs and depreciation ledger.
9. Cash ledger (stock form).
10. Revenue ledger (stock form).
11. Accounts receivable ledger (stock form).

#### 1. APPROPRIATION LEDGERS (FORMS 18 AND 18A)

The appropriation ledger of each department contains an account with each appropriation in which the department has an interest. Each account shows every transaction affecting it, the amount appropriated, the contracts awarded, the open market orders issued, the vouchers drawn against the authorization to spend indicated in the title and the balance unexpended and the balance unencumbered.

The *general fund ledger* (Form 18) contains appropriations of the general fund. The amounts of the budget allowance are the first entries made in the ledger, space at the top of the ledger sheet being provided for this purpose, the amount of the appropriation being entered in the first "amount" column to the left. Additional appropriations and transfers are entered in the "Amount" column as they are subsequently authorized, the date of each authorization being noted in the date column, and the character of the appropriation in the "Memo" column. In opening a new appropriation ledger at the beginning of a year, the non-merging balances of each appropriation of the previous year are carried forward, marking in the "Memo" column "Books of 19..."

By columnar arrangement the front of the ledger page is divided into contract encumbrances and open market order encumbrances; the reverse side of the page is provided for expenditures. For those departments which may have a large number of expenditure items chargeable against a particular item of appropriation in excess of the available space provided on the reverse of the encumbrance ledger sheet, extra sheets (Form 18A) are designed with the expenditure ruling on both sides for insertion after the encumbrance sheet.

As each contract against a general fund appropriation is awarded and entered in the register of contracts, the amount of the award is posted in the "Amount" column of the page carrying the account of the appropriation item affected under the general caption "Contract Encumbrances," the date of the award and the number of the contract being also noted in the respective columns thereunder. Reductions and cancellations made subsequently in contracts are first entered in the register of reductions in contract reserves and the amounts thereof entered in the column "Deduct Reductions in Contracts" under the caption "Contract Encumbrances" of the appropriation item account affected.

Open market orders issued chargeable to general fund appropriation accounts are first registered in the register of orders, and the amount thereof is posted in detail in the column "Estimated amount" of the general fund appropriation ledger under the general caption of "Open Market Order Encumbrances," the dates and order numbers being entered in the respective columns thereunder. Differences, if any, between the amount of an open market order as issued and the amount of a voucher liquidating the order are entered in chronological order in the columns "Add" and "Deduct" under the sub-title "Adjustments" of the general caption "Open Market Order Encumbrances." The latter caption has been subdivided into two sections of duplicate columns for open market order amounts and adjustments. Postings under this caption are entered in the first section to the left, and when the section is filled, continued therefrom to the second section on the right.

In the appropriation ledger, and all the other detail ledgers as well, the loose leaf form is prescribed. If sufficient space is not available on a ledger page for all the entries posted in a year to a particular appropriation item thereon, extra pages immediately following the first page of the appropriation item should be inserted for that purpose. All the ledger pages relating to one appropriation account are thus kept together rather than scattered through the ledger.

After expenditure vouchers have been registered in the register of vouchers they are entered in the appropriation ledgers in the particular account affected under the general caption of "Expenditures."

In the first column is noted the date of registration or the date the voucher becomes a charge against the appropriation, the warrant number and the order number on which the expenditure is based, being entered on the same line with the date in the next two columns, in their order.

The name of the payee or claimant is entered in the column headed "In Whose Favor."

In the column headed "For What" is noted short particulars as to the nature of the articles or services covered by the voucher.

In the three columns under the sub-caption of "Audited Vouchers, Adjustments and Cancellations" are entered the amounts of expenditure vouchers drawn in payment of contracts or contract orders, open market orders, payroll and miscellaneous. Vouchers drawn in payment of contracts or contract orders are entered in the "Contract" column, vouchers drawn in payment of open market orders are entered in the column of that heading, and vouchers drawn in payment of payrolls and miscellaneous claims are entered in the column "Payroll and Miscellaneous."

In the last column with the heading "Amount" under the sub-title "Unencumbered Balance of Appropriations" is noted the balance unencumbered, i. e., the balance remaining in an appropriation over and above the total amount of contracts awarded, open market orders issued, and payroll and miscellaneous expenditures made. The date for which this balance is determined is indicated in the date column alongside of the amount.

The sum of the totals for the month of all amounts entered in the "Amount" column under "Contract Encumbrances" for all the general fund appropriation accounts agrees with the total amount of general fund contracts registered, as per monthly summary of the register of contracts, and this agreement should be effected at the end of each month before the monthly total is journalized for entry in the general ledger.

The sum of the totals drawn from the column "estimated amount" under the caption "Open Market Order Encumbrances" for all the general fund appropriation accounts agrees with the total of the column entitled "Open Market" under "General Fund" in the register of orders, and this agreement should be effected at the end of each month as a proof of the accuracy of the bookkeeping work before the monthly total of the register of general fund open market orders issued is journalized for entry in the general ledger.

It will be seen that the difference at any time between the total of the amount column under "Contract Encumbrances" and the total payments on account of contracts as indicated in the column entitled "Contracts" under "Expenditures," minus the reductions in contracts, is the amount of the contingent liability on contracts unvouchered; and similarly the difference at any time between the total of the column entitled "Estimated Amount," under the caption "Open Market Order Encumbrance," and the total of vouchers drawn in payment thereof ("Open Market Order" column under "Expenditures"), plus or minus the adjustments, is the amount of outstanding open market orders unvouchered.

The total of the columns entitled "Contract," "Open Market Order," and "Payroll and Miscellaneous" under the caption "Expenditures" deducted from the total appropriations (as adjusted by transfers to and from) shows at all times the *unexpended* amount of each general fund appropriation account; and to ascertain the balance available in each appropriation for further contracts, open market orders and payroll and miscellaneous payments, it is only necessary to deduct from this *unexpended* balance the balance of contracts and open market orders unvouchered. This same result may be secured, however, in another way by deducting from the total appropriations (as adjusted by transfers to and from) the sum of the totals of the "Contract Encumbrance," and "Open Market Order Encumbrance" and "Payroll and Miscellaneous" expenditure columns of the ledger. The balance thus obtained is known as the "*unencumbered* balance of the appropriation."

The sum of the total expenditures posted each month in detail in the columns entitled "Contract," "Open Market Order," "Payroll and Miscellaneous" in *all* general fund appropriation accounts must agree with the monthly totals of the several sections of the register of vouchers, and this agreement should be effected at the end of every month.

As explained previously herein under the register and schedule of orders, no postings of *contract* orders issued are made from the register of orders to the appropriation ledgers. Therefore there are no adjusting entries in these ledgers for differences between the amount of a voucher and the amount of a contract order as issued. The ultimate purpose in the columnar arrangement of the appropriation ledger is to show the *balance unexpended* and the *balance unencumbered*. In the case of contracts this purpose is attained by posting to the respective appropriation accounts the amount awarded for each contract. These entries serve to establish the contract encumbrance against appropriations regardless of subsequent orders issued against those contracts. Only contract reductions, cancellations or voucher payments on account of contracts will affect the amount of contract encumbrances. The procedure for such entries is treated in the foregoing.

In the case of open market orders, however, the only encumbrance against appropriations is the estimated or actual amount of the order as issued. If, therefore, subsequent adjustment is necessary between the estimated amount of an order and the voucher payment the amount of adjustment must be shown in the appropriation account affected, in one of the columns "Add" or "Deduct" under the general caption of "Open Market Order Encumbrances," in order that each account may show the correct amount of open market order encumbrances. These adjustment amounts are found by taking the difference between each voucher amount and the amount of the order liquidated by the voucher and posting the difference as directed. The proof of the accuracy of the individual adjustments in a month is determined at the end of the month by comparing the net additions or deductions, as shown in all the appropriation accounts, with the net additions or deductions, as shown by the register of vouchers. The general

ledger controlling accounts affected by such adjustments in open market orders are adjusted at the close of a month by journal entry from the register of vouchers, as explained in the foregoing chapter under register and schedule of vouchers.

If a voucher has been decreased in amount or cancelled after it has been transmitted to the city controller, the department in which the voucher originated will be notified by the city controller (a new warrant drawn if necessary) and the amount of the decrease or cancellation will be noted in either the "Contract," "Open Market Order" or "Payroll and Miscellaneous" column under "Expenditures" of the appropriation account affected (in red ink); and if an open market order voucher the amount of reduction must be indicated in the "Deduct" column under "Open Market Order Encumbrances." This entry decreases the total amount of vouchers charged against the appropriation account. At the end of each month the advices from the city controller's office of voucher adjustments are summarized and an entry of the totals thus secured prepared for the general journal, debiting vouchers sent to city controller (general account, capital account or special and trust account) and crediting expenses or other proprietary controlling accounts affected, at the same time one of the following collateral fund entries is made for the same amount according to the class to which the voucher decreased or cancelled belongs:

1. If a Payroll and Miscellaneous Voucher or Open Market Order Voucher:  
 Budget Allowance (General, Loan or Special and Trust Fund).  
 To Unencumbered Balance of Appropriations (General, Loan or Special and Trust Funds).
2. If a Contract Voucher:  
 Budget Allowance (General, Loan or Special and Trust Funds).  
 To Reserve for Contracts (General, Loan or Special and Trust Funds).

In the case of advices from the city controller's office of voucher adjustments to the department of supplies, instead of crediting expense or other proprietary controlling accounts, as indicated above, the department of supplies credits "Invoices Received from Departments and Bureaus." Its fund entries are similar to those above.

The operating department or bureau whose accounts are thus affected, however, journalizes its copy of the advices of the city controller's voucher adjustments by crediting expense or other proprietary controlling accounts affected as noted above for advices of city controller's adjustments in its own departmental vouchers and uses the fund entries noted above. These adjustment journal entries are all based upon the assumption that the adjustments are reductions; if, however, the adjustments amount to a net increase, all of the above adjustment entries should be reversed as to debits and credits.

Similarly the particular accounts affected in the contract ledger and the claimants' ledger respectively have to be changed to correspond with any adjustments made in the appropriation accounts for contract voucher or open market order voucher reductions. Red ink entries of the reductions are made in the "vouchers" column and black ink entries in the "adjustments" columns of the contract and the claimants' ledgers, and in the case of open market order vouchers a red ink entry is also necessary in the "Amount" column under "Orders liquidated" in the claimants' ledger.

If the month's record in the voucher register containing the original entry of the altered or cancelled voucher has not been closed, the proprietary or fund general journal entries may be dispensed with by making a current entry for the amount of the adjustment in red ink in the voucher register. The various adjustment entries in the detail ledgers as described above, still have to be made, however, as the original amount of the voucher has been previously posted thereto before it was sent to the city controller's office for audit and settlement.

The following agreements must be effected at the end of each month between the general ledger controlling accounts and the schedules of balances of the several detail ledgers. The



schedule of balances of "Open Market Order Encumbrances" of all accounts in the general fund appropriation ledger should agree with the credit balance of "Reserve for Open Market Orders—general fund" in the general ledger. Likewise the total of the unvouchered balances of "Contract Encumbrances" of all accounts in the general fund appropriation ledger should agree with the credit balance of "reserve for contracts—general fund" in the general ledger, and should be supported by a schedule of contract balances prepared from the contract ledger. The total of all unencumbered balances in the general fund appropriation ledger should agree with the credit balance of the general ledger account entitled "Unencumbered balance of appropriations—general fund." These agreements are proofs of the correctness of the several records mentioned, and should be effected not less frequently than once a month; schedules of balances of the general fund appropriation ledger and the other detail fund ledgers should be taken off at the end of each month for this purpose.

Appropriation accounts for salaries and wages are kept in the appropriation ledgers in the same manner that accounts for other than salaries and wages are kept. In such cases, there being no contract or open market order encumbrances, the columns provided for recording such details in the appropriation ledgers remain blank, and only the appropriation and expenditure columns therein are used to record vouchers passed for salaries and wages. In using the forms for appropriation ledger, it may be found practical in large departments and bureaus to have some sheets ruled solely for expenditures for use with salary and wage appropriation items, whereas others can be ruled for encumbrances as well as expenditures.

The *loan fund appropriation ledger* (Form 18) contains an account with each appropriation made from loans showing the amount made available through appropriation or transfer, the contracts awarded, the open market orders issued, the vouchers drawn against the same, and the unexpended and the unencumbered balance.

The form and method of using the loan fund ledger is the same as that described in the foregoing for the general fund ledger.

The sheets for the general fund and loan fund ledgers respectively may be kept in two separate ledger binders, or they may be kept in one binder with two separate sections indicated by a dividing sheet with a tab. Appropriations from temporary loans will be considered as general fund appropriations and entered in the general fund appropriation ledger rather than in the loan fund appropriation ledger, for the reason that temporary loans are of very short duration; are used generally to meet current expenses of the city, and are usually repaid out of general fund appropriations of the succeeding year.

The *special and trust funds appropriation ledger* is kept in the same manner as the general fund and loan fund ledgers, upon sheets of the same ruling in the same binder with the general fund and loan fund appropriations, using a tab to separate the sheets from those of the two other ledgers.

## 2. CONTRACT LEDGER (FORMS 19 AND 19A)

The contract ledger contains an account with each contract awarded, the quantity, price and amount of each line of goods or services included within the contract, the quantity and amount ordered, the quantity and amount delivered, the invoices vouchered for payment, the balance not ordered, and the balance of the contract which has not been vouchered.

The left-hand page of the contract ledger (Form 19) provides for a complete record of the contract, the printed form at the head indicating the particulars that are to be recorded.

Under the head of "Accounts chargeable" is noted the several general fund, loan fund or special and trust fund accounts affected, and in the "Total" column the amount of the contract, chargeable to each. The four blank columns immediately following the word "total" may be used for making an analysis of the contract amount by organization units or other classifications. Reduction or cancellation of the amount of a contract is noted in red ink in the "Total" column.

As orders are issued against a contract they are entered under the head of "Orders issued," with the date, number and estimated amount. Two blank columns are provided in the block headed "Orders issued" which may be used to analyze the orders according to organization units or other classification.

Under the head of "Vouchers" is entered the date, number and amount of voucher, and on the same line under the head of "Adjustments" is noted the difference between the original order and the amount of the voucher. On the same line, under "Orders liquidated," is noted the original amount of the order covered by the voucher. It is not contemplated that the voucher will be entered on the same line as the *original* entry of the order in the column to the left. The "Per cent. Retained" column is provided for noting therein the amount of any contract payment retained in accordance with the terms of the contract. When a retained payment is vouchered, the voucher is entered in the register of vouchers in the same manner as other vouchers.

The difference between the total of "Orders issued" and the total of "Orders liquidated" shows at all times the amount of orders unvouchered.

The right-hand page of the contract ledger (Form 19A) provides for the details of the articles or services contracted for. Following the caption "Articles or services" is entered the name of each article included in the contract. In the columns opposite the words "Unit of measure" is indicated the unit of measure of each article mentioned in the contract; for instance, if the article is "eggs" the unit probably is "dozen," and opposite "Unit price" is shown the price per dozen. Opposite the "Line number" is shown the number of the line in the contract, and opposite "Quantity" is shown the quantity specified in the contract.

As orders are issued and entered on the left-hand page of the contract ledger, a record of the quantity of same is also made on the right-hand page according to the article in the columns headed "Ordered." When goods are received they are noted against their proper order in the columns headed "Received." This record thus shows at all times the quantity ordered of a given article, the quantity received, and the balance that may yet be ordered of that article.

The accounts in the contract ledger may be arranged alphabetically by names of contractors or in any other manner adapted to the requirements of departments.

## 3. CLAIMANTS' LEDGER (FORM 20)

The claimants' ledger for departments contains an account with each vendor or tradesman who has received orders (not under contract) for the delivery of goods or the rendering of service, and contains a detailed record of each order issued, each invoice vouchered and the balance not vouchered for payment.

The claimants' ledger provides for record of the orders, vouchers and adjustments as follows:

- Column 1—Date of order;
- Column 2—Number;
- Column 3—Articles or services covered by order;
- Column 4—Amounts of miscellaneous orders;
- Column 5—Amounts of open market orders;
- Column 6—Amounts of contract orders;
- Column 7—Memoranda of item number, dates of invoices, etc.;
- Column 8—Item number;
- Column 9—Date of voucher;
- Column 10—Number of voucher;
- Column 11—Amount of voucher;
- Column 12—Adjustments—additions to orders;
- Column 13—Adjustments—deductions from orders;
- Column 14—Orders liquidated—number;



## Column 15—Orders liquidated—amount of orders.

As vouchers are drawn they are entered under the head of "Vouchers," but no attempt should be made to enter a voucher on the same line on which the order was originally entered. If the voucher amount differs from the estimated amount of the order, the difference, plus or minus, is noted under the head of "adjustments" on the same line as the voucher amount. Under the caption of "Orders liquidated," and on the same line as the voucher entry, is shown the amount of the order as originally entered. The difference then between the accumulated total of the orders originally entered and the accumulated total of the orders liquidated is the amount of orders unvouchered, and the total of the schedule of balances for all claimants' accounts agrees with the credit balance of "Reserve for open market orders" in the general ledger.

## 4. EXPENSE LEDGER (FORM 21)

For purposes of administration and budget making (see Chapter XII on budget making), an expense ledger is one of the most important records of a department, since it enables officials to obtain an accurate and well classified statement of the monthly cost of operating each function or activity undertaken or performed.

Expenses are (1) the accrued costs, paid or payable, of the services, rents, supplies and materials and parts obtained by or for the city for administration of its affairs, the operation of its business undertakings or the upkeep of its property; and (2) the costs incurred by it in such administration, operation or upkeep.

The main elements of expense to be recorded in the expense ledger are: (1) invoices and pay-rolls directly chargeable to expense; (2) stores issued; (3) work in progress distributed; (4) services received from other bureaus; and (5) reserve for repairs.

Invoices and payrolls chargeable to expense are posted to their respective accounts in the expense ledger in accordance with the expense classification, such posting being made immediately after entry of the invoice or payroll in the register of invoices and payrolls. Where stores are kept and issued on requisitions and the number of requisitions in each month is small, the amount of each requisition is posted in detail in the expense ledger. If the stores requisitions are very numerous, the postings to the expense ledger are made from the monthly report of stores issued, which statement is made in accordance with the expense classification, so that there is a single monthly entry in the expense ledger to each expense sub-account for which stores have been issued during the month. Stores returned to storehouse after having been issued on requisition are credited to the respective expense accounts to which they previously have been charged. Completed work in progress of an expense nature is taken into the various accounts affected in the expense ledger. These entries are made from the work in progress ledger. Services or materials received from another department should be posted from the inter-departmental invoices to the various accounts in the expense ledger chargeable therewith, providing such work or materials are of an expense nature. If of the nature of permanent improvements and equipment, or for stores, they are posted to the property or stores ledgers.

The reserve for repairs to property in the custody of a department or bureau is distributed to the various expense accounts from the registers of reserves for repairs and depreciation. The form of the expense ledger provides an account for each sub-account of the expense classification, and thus furnishes the necessary analysis of expenses incurred. Few, if any, credits are posted to this ledger, as all of the accounts are normally debits, so that single columns are provided for each account. The few credits entering into this ledger are entered in red ink in the debit columns.

The forms of expense ledger prescribed are designed to show a separate sheet for each function and character and provide for an account for each expense classification concerning which information is desired, showing in detail the object under the function and character of expense headings; and the fund to which the service or purchase is chargeable.

The first requirement for expense distribution is to determine the function, sub-function or activity to which it properly belongs.

The proper function having been determined, the next classification will be the character of expense, i. e., "administration," "operation," "reserve for repairs," etc., and as each function may carry one or more characters of expense, the possibility of errors in posting is minimized by having the forms printed on different colored paper, for instance, "administration" and "other expense" on white, "operation" on blue and "reserve for repairs" and "work in progress" on buff colored paper. The use of the different colors would also greatly facilitate the preparation of statements and reports.

The characters and objects of expenditures are discussed in detail in Chapter IV.

For convenience and on account of the advantage gained in shifting the sheets so as to admit of grouping the accounts to fit departmental requirements a loose leaf ledger is recommended. The form of expense ledger used by all departments, bureaus and offices is of this design and size; the size, however, should depend largely upon the volume of business transacted so long as all the necessary information is obtainable.

The several columns of the expense ledger form are used as follows:

Column 1—For the date (month and day) upon which the expense occurred and is chargeable;

Columns 2 and 3—For the document letter and number, requisition on storekeeper, invoice, etc.;

Column 4—Regular (direct) purchase or thru department of supplies;

Column 5—For any brief descriptive matter considered important for reference;

Columns 6 and 7—For the fund, general or loan, out of which the amount is payable. In case an amount is payable out of special and trust funds, entry should be made in the "general fund" column and on the same line in the "remarks" column insert "special and trust funds";

Column 8—For the amount of the requisitions on the storekeeper upon which deliveries have been made. This column provides the means by which a complete check may be had at all times with the amount of stores issued for expense purposes. For departments, bureaus and offices not maintaining store houses and stores accounts, this column can also be used for regularly rendered invoices for goods purchased;

Column 9—In this column is entered the amount of all miscellaneous documents from which postings are made; such documents may consist of reserves for repairs, expense accruals, inter-departmental invoices (service transfers) and invoices for direct deliveries: that is, invoices for materials not delivered through the storekeeper and payrolls;

Columns 10, 11, 12, 13, 14, 15, 16, 17, and 18—These columns are provided for the purpose of analyzing the services, supplies, materials, etc., by the specific object or kind of article according to the city controller's object of expenditure classification, the amounts (money value) being entered in the column the heading of which describes the article or object;

Column 19—For the totals of all documents as distributed.

It will be observed that a single sheet is designed for the analysis only of one main class of expenditures. Therefore, if a function or account was chargeable with "personal services," "services other than personal," "supplies" and "materials," it requires four sheets, or one sheet each for the four main classes above mentioned in order to make the proper entries.

In case it is found more desirable to use the punched card method of analyzing expenses and postings totals only, to the expense ledger, the method of using such cards is fully described in Chapter III.

A schedule of balances and totals must be taken from the expense ledger monthly and should agree in total with the balance of the controlling account "expenses" in the general ledger, thereby proving the accuracy of the month's postings to the expense ledger.

#### 5. STORES LEDGER (FORM 22)

The stores ledger prescribed (Form 22) is a card form size 5" x 8".

Stores ledgers are required whenever supplies and materials are handled in such quantities as to render necessary the keeping of stores accounts.

It is desired to have all accounting forms and reports uniform in all departments, but it will not be insisted upon to change at once existing forms of stores ledger which may be meeting the requirements of particular departments. Such changes may be made at a later date following the installation of the other departmental accounting forms. But all departments that carry stores of materials and supplies must keep sufficient stores records in order to furnish the necessary information for the department's general ledger and the department of city controller.

With the introduction of stores ledgers, inventories should be taken at the beginning of each year, or more frequently if desired, and schedules of balances and totals of these ledgers prepared at the end of each month in order that the stores balances, as shown in the ledgers, may be proved to the controlling account "Stores" in the general ledger. The accuracy of the stores ledger will thereby be subject to the double check of trial balance and inventory control. The total of charges to "Stores" account in the general ledger is to be established through the invoices; the total of credits to "Stores" is to be established through signed requisitions and storekeepers' reports; and the balance of "Stores" is to be checked both by inventory and schedule of balances and totals.

In the upper left hand corner of the card is shown the item of the article on the schedule of bids for materials and supplies. Space is provided for the location of the stores; maximum and minimum amount to be carried and unit of measure, weight or quantity of article carried. The name of the article should also include the code number of the object of expenditure classification as C2220—steel castings. The cards are then filed by letters and numbers.

Under the heading of "Received" is shown date, vendor or job number, order number, unit price and quantity. If it is desired further to know quantities ordered separate from quantities received, the heading "Received" should be changed to "Ordered" and one of the "Delivered" columns changed to "Received."

Under the heading of "Delivered" is shown the stores issued by date, job and requisition number, with a column for checking purposes. Under the heading of "Balance" is shown perpetually the balance of the article on hand.

By this arrangement a perpetual inventory is obtained and an actual count of all articles should be made at frequent intervals and the balance as shown on the card verified thereby. The space required for a record of the article issued being much greater than that required for a record of the order and receipt, the space on the reverse side of the card may contain only a record of the article issued and the balance as carried forward from the face of the card and continued.

In order to avoid a waste of space, extra cards should be supplied, with ruling on both sides for "issues" and "balances" only, and used when the activity of the account demands it.

Each kind of article in stock has its individual card record and the card carries the object of expenditure code for each article in sequence in the space provided for that purpose, thus insuring a continuous and complete record of all articles carried in stores.

#### 6. WORK IN PROGRESS LEDGER

Wherever manufacturing, jobbing or construction work is carried on it is necessary to keep accounts setting forth the cost of such manufacture, jobbing or construction and these

accounts make up the work in progress ledger, which is controlled by the account entitled "Work in progress" in the general ledger. In the work in progress ledger there should be an account for each job order undertaken, which should be charged with the cost of material and labor expended on the job and should receive a proportionate burden of overhead expenses in order to arrive at the total cost of the job. These accounts should be carried in the work in progress ledger until the work is completed, when they would be removed and placed in a completed binder and, coincident with this transfer, an entry would be made in the general ledger crediting the work in progress account and debiting the account representing the object for which the work was done or to which the product was transferred. Completed work in progress will ordinarily be charged to either reserve for repairs, reserve for replacements or property account. The balance of the work in progress account in the general ledger would, therefore, represent the cost of manufacturing or construction work undertaken but not completed, the distribution of this cost by jobs being reflected in the detail work in progress ledger.

The entries in the work in progress (or job) ledger are posted from the original documents, payrolls, invoices, requisitions on stores (or monthly reports of stores issued), etc., similar to the method of posting the expense and property ledgers. As practically all the entries are debits, a single column is sufficient for each account. About the only credits to the work in progress ledger are adjustments and entries transferring the balances of these accounts to the reserve for repairs ledger or the property ledger. Distribution of work in progress is obtained by posting from the monthly report of work in progress completed. Accounts showing debit balances are those which have not yet been distributed.

Expenditures chargeable to work in progress being composed of the same elements as expense, the same form (Form 21) may be used for the detail work in progress ledger by changing the headings slightly. Expenditures for property acquisitions together with all charges applying to any particular job of work, the completion of which may cover an indefinite period, are posted in the work in progress ledger.

The work in progress ledger can be kept in the same binder with the expense ledger and separated by a prominently marked or tabbed division leaf.

A schedule of balances should be taken from the work in progress ledger monthly and should agree with the controlling account "work in progress" in the general ledger, thereby proving the accuracy of the month's postings in the work in progress ledger.

#### 7. PROPERTY LEDGER (FORM 23)

Property acquisitions are the accrued costs, paid or payable, for lands, structures, non-structural improvements and equipment, including all properties of a more or less permanent character, and thus available for continuing use, which are obtained or used by the city in the exercise of its governmental functions, or in connection with the business undertakings conducted by it.

The property ledger provides for a detailed analysis of the land, structures, non-structural improvements and equipment of the department or bureau in accordance with the uniform property classification. It provides a sub-account for each heading of the property classification. To open the property ledger an inventory of all land, structures, non-structural improvements and equipment should be taken at cost value and classified according to the property classification mentioned above. This grouping should be: (1) by department or bureau charged with the property, (2) by functional use of the property, and (3) by kind of property. The sub-divisions or accounts of the last group, viz., kind of property, will be found in the city's property code established by the city controller's office. There should be posted to the respective accounts of the property ledger direct from the distribution of expenditures on the invoices and payrolls any expenditures for the acquisition of property other than replacements of present property, the expenditures for which are chargeable to reserve for depreciation.

The property ledger is the same style and size as the expense ledger. The sheets should be arranged in the binder in the same functional order as prescribed for each department, bureau and office in Chapter XIV.

Accounts in the property ledger will be arranged in accordance with the object of expenditure classification; the function to which the specific account properly belongs being indicated by an index or tabbed division leaf and the sheets placed in the binder under the functional headings accordingly.

Space is provided in the upper part of the property ledger form for the name and code number of the equipment class as "Lighting Equipment-E12." The classification of accounts, as referred to herein, provides sufficient information as to detail for the city controller's requirements, but if a further sub-division than that represented by the first three figures of the code as shown in the property classification, *i. e.*, "E422—desks" is desirable, accounts may be opened accordingly.

The several columns of the property ledger will be used as follows:

- Column 1—For the date of invoice or acquisition;
- Column 2—For invoice or document number;
- Column 3—For the name of the vendor or person from whom the property was purchased or otherwise acquired;
- Column 4—For quantity;
- Column 5—For unit of quantity or measure;
- Column 6—For the vendor's stock number and description of the particular property acquired so that it may be identified at any time;
- Column 7—For the location of the property;
- Column 8—For the amount (cost price) of the property acquired (debits);
- Column 9—For the amount (book value) of the property disposed of (credits).

The property ledger discussed above makes unnecessary the use of a property register, the property being registered directly in the ledger. Should a department or bureau desire a chronological record of all property acquired, however, there is no objection to their operating a register and schedule of property, similar to the other registers and schedules described in Chapter VI.

A schedule of balances of the property ledger at the close of each month would show the amount of property and equipment on hand, and should prove to the controlling account "land, structures, other improvements and equipment" in the general ledger. The schedule of balances and totals of the property ledger should be verified from time to time by checking it with an actual inventory of property and equipment.

#### 8. RESERVES FOR REPAIRS AND DEPRECIATION LEDGER

This ledger provides for a detailed analysis by classes of property of the reserves set aside each month for repairs and for depreciation. These reserves should not be figured on each property account, but upon classes of property and equipment so grouped that all property similar in nature having the same estimated rate for cost of repairs or rate of depreciation will be in the same class. The register of reserves for repairs and depreciation furnishes the monthly amounts of the reserves to be set aside for each class of property.

The debits, as well as the credits to the accounts in this ledger, being fairly numerous, the ordinary ledger ruling is probably best adapted to its requirements. Two accounts should be opened for each class of property, one being for reserve for repairs and the other for reserve for depreciation.

Each account heading should show (1) the title or other designation of the property class; (2) the total cost value of the property in that class; (3) the estimated required percentages of reserve for repairs or for depreciation (in the one account, this percentage being

for the reserve for repairs, and in the other for depreciation). Changes in the total cost value of the property in each class are to be noted in total each month by taking from the property ledger the total acquisitions and dispositions, together with any adjustments and by extending the resulting new balance.

The accounts in this ledger should be credited respectively with the monthly reserves as determined by means of the register for repairs and depreciation. Expenditures for repairs are debited to the reserve accounts for repairs, and expenditures for replacements are debited to the reserve accounts for depreciation. Any credit balances in the reserves for repairs accounts represent the excess of the reserves set aside for repairs in accordance with the estimated rates thereof over and above the actual expenditures for repairs. Actual repairs are made more or less irregularly as needed. The reserves for repairs account makes possible the charging of an average amount to expense for repairs in each accounting period. It thereby makes a more even distribution of repairs to expense and guards against the necessity of charging extraordinarily heavy repairs to expense in any accounting period. Any credit balances in the depreciation accounts represent reserve for future replacements to offset depreciation that has taken place.

In some of the smaller departments and bureaus, where the property classification is not an extensive one, it may be found practicable to keep the reserves for repairs and depreciation ledger in the back of the property ledger, although the single column ruling of the property ledger would necessitate a considerable number of red ink entries, the debits as well as the credits being quite numerous in this ledger. Numerous changes in the balances of property in each class would also cause difficulty in using the property ledger ruling.

A schedule of balances and totals should be taken from this ledger monthly, and should agree with the balances of the controlling accounts "reserve for repairs—general account" and "reserve for depreciation—capital account" in the general ledger, thereby proving the accuracy of the postings to this ledger.

#### 9. CASH LEDGER

A register and schedule of cash transactions (Forms 17 and 17A) will be kept by all departments, bureaus and offices having such transactions, and the amounts appearing thereon, posted in the cash ledger. A cash ledger is recommended only when it is deemed important to have a book record of the source of receipt. In such cases a stock form with columns for debits (receipts) and credits (payments) may be used.

#### 10. REVENUE LEDGER

A regular stock ruled ledger is recommended for a revenue ledger, using a page or portion of a page for each individual account.

Debits to the revenue ledger are as rare as credits to an expense ledger, and postings are made from the bills rendered or other documentary evidence of the accrual of revenue.

Accounts are opened in the revenue ledger in accordance with the revenue classification, the purpose of this ledger being to provide the most useful and instructive classification of the revenues of a department or bureau.

A schedule of balances is taken from the revenue ledger monthly, and should agree in total with the balance of the controlling account "revenue" in the general ledger, thereby proving the accuracy of the month's postings to the revenue ledger.

#### 11. ACCOUNTS RECEIVABLE LEDGER

No special form has been designed for an accounts receivable ledger as a regular stock ruled ledger would be the most adaptable.

The purpose of an accounts receivable ledger is to keep an account with each debtor to the city whose claim is to be paid either to the bureau rendering the service or to another desig-











*Standard Outline Monthly General Journal Entries  
For an Operating Department or Bureau*

The following outline journal entries are for study and illustrative purposes only. The detail general journal entries on a later page are for actual use.

## 1—BUDGET ALLOWANCE

To UNENCUMBERED BALANCE OF APPROPRIATIONS

*For appropriations of city councils to this department or bureau (from Register of Appropriation Ordinances\*).*

## 2—UNENCUMBERED BALANCE OF APPROPRIATIONS

To RESERVE FOR CONTRACTS

RESERVE FOR OPEN MARKET ORDERS

*For contracts registered and open market orders issued during month (from the respective registers).*

## 3—RESERVE FOR CONTRACTS

To UNENCUMBERED BALANCE OF APPROPRIATIONS

*For contracts reduced or annulled during month (from Register of Reductions in Contract Reserves).*

## 4—EXPENSES

RESERVE FOR REPAIRS

ACCOUNTS RECEIVABLE

WORK IN PROGRESS

COST OF GOODS (OR CROPS) SOLD OR CONSUMED

SERVICES RENDERED TO OTHER BUREAUS

LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT

RESERVE FOR DEPRECIATION

To STORES

*For stores issued from storehouse during the month on stores requisitions (from Monthly Report of stores issued from storehouses).*

## 5—EXPENSES

RESERVE FOR REPAIRS

STORES

COST OF GOODS (OR CROPS) SOLD OR CONSUMED

ACCOUNTS RECEIVABLE

SERVICES RENDERED TO OTHER BUREAUS

LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT

RESERVE FOR DEPRECIATION

To WORK IN PROGRESS

*For distribution of completed work in progress (from Register of Completed Work in Progress).*

## 6—EXPENSES

RESERVE FOR REPAIRS

STORES

WORK IN PROGRESS

POSTAGE AND TRANSPORTATION

COST OF GOODS (OR CROPS) SOLD OR CONSUMED

ACCOUNTS RECEIVABLE

\*In most cases a total for the month, of appropriations by city councils to any department or bureau, may be secured without the use of a register.

## REVENUE

SERVICES RENDERED TO OTHER BUREAUS

LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT

RESERVE FOR DEPRECIATION

To INVOICES AND PAYROLLS PAYABLE

*For distribution by character of expenditure of invoices and payrolls for all personal service, services other than personal, materials, supplies, etc., purchased and received during the month (from Register of Invoices).*

## 7—INVOICES AND PAYROLLS PAYABLE

To VOUCHERS SENT TO CITY CONTROLLER

*For invoices and payrolls vouchered and sent to city controller (from Register of Vouchers).*

## 8—INVOICES AND PAYROLLS PAYABLE

To INVOICES SENT TO DEPARTMENT OF SUPPLIES

*For invoices—for materials and supplies ordered by the department of supplies and received by the operating department and bureau—sent to department of supplies to be vouchered, approved and certified to the city controller (from Register of Invoices sent to department of supplies).*

## 7a and 8a—UNENCUMBERED BALANCE OF APPROPRIATIONS

RESERVE FOR CONTRACTS

RESERVE FOR OPEN MARKET ORDERS

To BUDGET ALLOWANCE

*Collateral to journal entries Nos. 7 and 8 (from same source as those journal entries).*

## 9—REVENUES ACCRUED, NOT DUE

RESERVE FOR UNACCRUED REVENUES

To REVENUES

*For the accrual of revenues (from the Register of Revenue Accrual).*

## 10—RECEIVER OF TAXES

ACCOUNTS RECEIVABLE

\*REVENUES

REVENUES ACCRUED, NOT DUE

To \*REVENUES

RESERVE FOR UNACCRUED REVENUES

EXPENSES

INVESTMENT OF THE CITY

*For income due and collectible—bills having been rendered therefor by the operating department or bureau—the collections of cash thereon to be made by the receiver of taxes (from the Register of Accounts Receivable). In the case of revenue accrued but not due, it is not charged to receiver of taxes until it is collectible.*

## 11—EXPENSES

To RESERVE FOR REPAIRS

*For monthly proportion of reserve for repairs (from Register of Reserves for Repairs and Depreciation).*

## 12—EXPENSES

To RESERVE FOR DEPRECIATION

*For monthly proportion of depreciation (from the Register of Reserves for Repairs and Depreciation).*

\*If the amount found to be due is greater than the amount accrued, the difference is credited to "Revenues"; if less, the difference is debited to "Revenues".

## 13—RESERVE FOR DEPRECIATION

## INVESTMENT OF THE CITY

TO LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT

For the cost value of property worn out and disposed of (in cases where no cash is realized) investment of the city being charged direct with that portion of the cost value for which a reserve has not been provided.

NOTE.—If some cash is realized from the disposition of old property and equipment, the above journal entry would be used with an additional debit, namely, "Cash" or "Receiver of Taxes" if the money is to be received by that official.

## 14—SERVICES RENDERED OTHER BUREAUS

## TO EXPENSES

## STORES

## WORK IN PROGRESS

## RESERVE FOR REPAIRS

## LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT

## RESERVE FOR DEPRECIATION

From register of services rendered other bureaus.

## 15—EXPENSES

## STORES

## WORK IN PROGRESS

## RESERVE FOR REPAIRS

## LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT

## RESERVE FOR DEPRECIATION

TO SERVICES RECEIVED FROM OTHER BUREAUS

From register of services received from other bureaus.

## 16—CASH

## TO ACCOUNTS RECEIVABLE

From register of cash transactions (receipts).

## 17—CITY TREASURER

## TO CASH

From register of cash transactions (disbursements).

Standard Outline Monthly General Journal Entries.  
For the Department of Supplies

Entries number 1, 2, 3, 6, 7, 7a, 10, 11, 12 and 13 of the standard outline monthly general journal entries for an operating department or bureau (see above) will be used by the department of supplies. In addition this department will use the following:

## 18—INVOICES RECEIVED FROM DEPARTMENTS AND BUREAUS

## TO INVOICES PAYABLE

For invoices received from the several operating departments and bureaus, representing materials and supplies ordered by the department of supplies for other departments and bureaus (from Register of Invoices sent to department of supplies).

Standard Outline General Journal Entries for  
Opening New Set of Books

## 1—STORES (AS PER INVENTORY)

## WORK IN PROGRESS (AS PER INVENTORY)

## ACCOUNTS RECEIVABLE

## POSTAGE AND TRANSPORTATION

## LAND, ETC. (AS PER INVENTORY)

## TO INVOICES AND PAYROLLS PAYABLE

## RESERVE FOR REPAIRS

## RESERVE FOR DEPRECIATION

## INVESTMENT OF THE CITY

For taking upon the books all of the assets, liabilities and reserves of the city, and the excess of assets over liabilities and reserves, the excess being the investment of the city in the operating department, bureau or institution.

## 2—BUDGET ALLOWANCE

## TO UNENCUMBERED BALANCE OF APPROPRIATIONS

## RESERVE FOR CONTRACTS

## RESERVE FOR OPEN MARKET ORDERS

For taking upon the books the unexpended portion of the budget allowance, together with its distribution between unencumbered balance of appropriations, unexpended portions of contracts, and unexpended portions of open market orders outstanding.

The department of supplies will use as much of journal entry No. 1 for opening a new set of books as is necessary to take upon its general ledger the assets, liabilities, reserves and investment of the city, in its custody. It will also use journal entry No. 2 for its own fund accounts, the same as an operating department or bureau.

Standard Outline General Journal Entries for  
Closing at end of the Accounting Period

## 1—REVENUES

## TO OPERATION ACCOUNT

For closing revenue account at the end of the accounting period.

## 2—OPERATION ACCOUNT

## TO EXPENSES

For closing expense account at the end of the accounting period.

## 3—VOUCHERS SENT TO CITY CONTROLLER

## INVOICES SENT TO DEPARTMENT OF SUPPLIES

## TO RECEIVER OF TAXES

## CITY TREASURER

## INVESTMENT OF THE CITY

For closing these nominal accounts to "Investment of the city" at the end of the accounting period.

## 4—UNENCUMBERED BALANCE OF APPROPRIATIONS

## RESERVE FOR CONTRACTS

## TO BUDGET ALLOWANCE

For merging balances of appropriations at close of year.

## 5—ADVANCES

TO INVESTMENT OF THE CITY

OR

## 5a—INVESTMENT OF THE CITY

TO ADVANCES

*For closing out advances to "Investment of the city".*

## 6—OPERATION ACCOUNT

TO COST OF GOODS (OR CROPS) SOLD OR CONSUMED

*For closing out cost of goods (or crops) sold or consumed.*

## 7—OPERATION ACCOUNT

TO INVESTMENT OF THE CITY

OR

## 7a—INVESTMENT OF THE CITY

TO OPERATION ACCOUNT

*For closing out operation account.*

The department of supplies will use journal entries Nos. 1, 2, 4, 5 and 7 (as above) for closing its books at the end of the accounting period. It will use general journal entry No. 3 in the following modified form:

## 3—VOUCHERS SENT TO CITY CONTROLLER

TO INVOICES RECEIVED FROM DEPARTMENTS AND BUREAUS

RECEIVER OF TAXES

OPERATION ACCOUNT

INVESTMENT OF THE CITY

*Opening General Journal Entries—January 1, 19...  
(When Opening New Set of Books)\**

These detail general journal entries are for actual departmental use. The preceding outline journal entries are for study and illustrative purposes only.

In this chapter and chapter VI the words "safety" and "supplies" have been used in journal entries to distinguish between accounts of an operating department or bureau and the department of supplies. The word "safety" as the short departmental title of the department of public safety is used for illustration purposes. In practice, the short title of the department or bureau for which the general journal entries are formulated would be substituted.

## 1—BUDGET ALLOWANCE—SAFETY—GENERAL FUND

BUDGET ALLOWANCE—SUPPLIES—GENERAL FUND

BUDGET ALLOWANCE—SAFETY—LOAN FUNDS

BUDGET ALLOWANCE—SUPPLIES—LOAN FUNDS

TO UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—GENERAL FUND

RESERVE FOR CONTRACTS—SAFETY—GENERAL FUND

RESERVE FOR CONTRACTS—SUPPLIES—GENERAL FUND

RESERVE FOR OPEN MARKET ORDERS—SAFETY—GENERAL FUND

\*In formulating these journal entries, fund and proprietary journal entries for special and trust transactions have been omitted. Should a department's transactions include those of a special and trust nature, it should utilize titles similar to those here used for the other funds and accounts.

RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—LOAN FUNDS

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—LOAN FUNDS

RESERVE FOR CONTRACTS—SAFETY—LOAN FUNDS

RESERVE FOR CONTRACTS—SUPPLIES—LOAN FUNDS

RESERVE FOR OPEN MARKET ORDERS—SAFETY—LOAN FUNDS

RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—LOAN FUNDS

*For taking upon the books all non-merging balances of appropriations brought forward from the previous year.*

## 2—STORES—GENERAL ACCOUNT

WORK IN PROGRESS—GENERAL ACCOUNT

ACCOUNTS RECEIVABLE—GENERAL ACCOUNT

POSTAGE AND TRANSPORTATION—GENERAL ACCOUNT

LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT

TO INVOICES PAYABLE—GENERAL ACCOUNT

RESERVE FOR REPAIRS—GENERAL ACCOUNT

INVESTMENT OF CITY—GENERAL ACCOUNT

INVOICES PAYABLE—CAPITAL ACCOUNT

RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT

INVESTMENT OF CITY—CAPITAL ACCOUNT

*For taking up the assets, liabilities, reserves and the investment of the city at the opening of business, January 1, 19....*

## 3—BUDGET ALLOWANCE—SAFETY—GENERAL FUND

BUDGET ALLOWANCE—SUPPLIES—GENERAL FUND

TO UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—GENERAL FUND

*For taking upon the books the annual appropriations for 19....*

*Monthly General Journal Entries*

For the month of.....19...

## 1—BUDGET ALLOWANCE—SAFETY—GENERAL FUND

BUDGET ALLOWANCE—SUPPLIES—GENERAL FUND

BUDGET ALLOWANCE—SAFETY—LOAN FUNDS

BUDGET ALLOWANCE—SUPPLIES—LOAN FUNDS

TO UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—LOAN FUNDS

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—LOAN FUNDS

*For taking upon the books any appropriations or allotments made during the month of..... 19....*

## 2—UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—LOAN FUNDS

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—LOAN FUNDS

TO RESERVE FOR CONTRACTS—SAFETY—GENERAL FUND  
 RESERVE FOR CONTRACTS—SUPPLIES—GENERAL FUND  
 RESERVE FOR OPEN MARKET ORDERS—SAFETY—GENERAL FUND  
 RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—GENERAL FUND  
 RESERVE FOR CONTRACTS—SAFETY—LOAN FUNDS  
 RESERVE FOR CONTRACTS—SUPPLIES—LOAN FUNDS  
 RESERVE FOR OPEN MARKET ORDERS—SAFETY—LOAN FUNDS  
 RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—LOAN FUNDS

*For contracts (as per register of contracts) and open market orders (as per register of orders) registered and issued during month of.....19....*

3—RESERVE FOR CONTRACTS—SAFETY—GENERAL FUND  
 RESERVE FOR CONTRACTS—SUPPLIES—GENERAL FUND  
 RESERVE FOR OPEN MARKET ORDERS—SAFETY—GENERAL FUND  
 RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—GENERAL FUND  
 RESERVE FOR CONTRACTS—SAFETY—LOAN FUNDS  
 RESERVE FOR CONTRACTS—SUPPLIES—LOAN FUNDS  
 RESERVE FOR OPEN MARKET ORDERS—SAFETY—LOAN FUNDS  
 RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—LOAN FUNDS

TO UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—GENERAL FUND  
 UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—GENERAL FUND  
 UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—LOAN FUNDS  
 UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—LOAN FUNDS

*For reductions, cancellations or annulments in contracts and open market orders for the month of.....19....*

4—EXPENSES—GENERAL ACCOUNT  
 RESERVE FOR REPAIRS—GENERAL ACCOUNT  
 ACCOUNTS RECEIVABLE—GENERAL ACCOUNT  
 WORK IN PROGRESS—GENERAL ACCOUNT  
 COST OF GOODS (OR CROPS) SOLD OF CONSUMED—GENERAL ACCOUNT  
 SERVICES RENDERED OTHER BUREAUS—GENERAL ACCOUNT  
 LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT  
 RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT  
 TO STORES—GENERAL ACCOUNT

*For materials delivered from storehouses or store rooms during month of.....19....*

5—STORES—GENERAL ACCOUNT  
 TO EXPENSES—GENERAL ACCOUNT  
 RESERVE FOR REPAIRS—GENERAL ACCOUNT  
 ACCOUNTS RECEIVABLE—GENERAL ACCOUNT  
 WORK IN PROGRESS—GENERAL ACCOUNT  
 COST OF GOODS (OR CROPS) SOLD OF CONSUMED—GENERAL ACCOUNT  
 SERVICES RENDERED OTHER BUREAUS—GENERAL ACCOUNT  
 LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT  
 RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT

*For materials returned to storehouses or storerooms during month of.....19....*

6—EXPENSES—GENERAL ACCOUNT  
 RESERVE FOR REPAIRS—GENERAL ACCOUNT  
 STORES—GENERAL ACCOUNT  
 ACCOUNTS RECEIVABLE—GENERAL ACCOUNT

WORK IN PROGRESS—GENERAL ACCOUNT  
 REVENUE—GENERAL ACCOUNT  
 POSTAGE AND TRANSPORTATION—GENERAL ACCOUNT  
 COST OF GOODS (OR CROPS) SOLD OF CONSUMED—GENERAL ACCOUNT  
 SERVICES RENDERED OTHER BUREAUS—GENERAL ACCOUNT  
 LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT  
 RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT  
 TO INVOICES AND PAYROLLS PAYABLE—SAFETY—GENERAL ACCOUNT  
 INVOICES PAYABLE—SUPPLIES—GENERAL ACCOUNT  
 INVOICES AND PAYROLLS PAYABLE—SAFETY—CAPITAL ACCOUNT  
 INVOICES PAYABLE—SUPPLIES—CAPITAL ACCOUNT

*For invoices and payrolls registered during month of.....19....*

7—EXPENSES—GENERAL ACCOUNT  
 RESERVE FOR REPAIRS—GENERAL ACCOUNT  
 STORES—GENERAL ACCOUNT  
 COST OF GOODS (OR CROPS) SOLD OF CONSUMED—GENERAL ACCOUNT  
 ACCOUNTS RECEIVABLE—GENERAL ACCOUNT  
 SERVICES RENDERED OTHER BUREAUS—GENERAL ACCOUNT  
 LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT  
 RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT  
 TO WORK IN PROGRESS—GENERAL ACCOUNT

*For distribution of work in progress completed during month of.....19....*

8—EXPENSES—GENERAL ACCOUNT  
 RESERVE FOR REPAIRS—GENERAL ACCOUNT  
 STORES—GENERAL ACCOUNT  
 WORK IN PROGRESS—GENERAL ACCOUNT  
 LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT  
 RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT  
 TO SERVICES RECEIVED FROM OTHER BUREAUS—GENERAL ACCOUNT

*For services or materials received from another department during the month of.....19....*

Expense is debited for services or materials used for current expenses; reserve for repairs, for services or materials used in maintaining (repairing) property; stores, for goods, received and taken into stores; work in progress, for work in progress transferred; reserve for depreciation, for replacements to property received from another department or bureau; and land, structures, etc., for property transferred.

8A—SERVICES RENDERED OTHER BUREAUS—GENERAL ACCOUNT  
 TO EXPENSES—GENERAL ACCOUNT  
 RESERVE FOR REPAIRS—GENERAL ACCOUNT  
 STORES—GENERAL ACCOUNT  
 WORK IN PROGRESS—GENERAL ACCOUNT  
 LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT  
 RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT

*For services rendered to another department during the month of.....19....*

## 9—ADVANCES TO CAPITAL ACCOUNT—GENERAL ACCOUNT

TO ADVANCES FROM GENERAL ACCOUNT—CAPITAL ACCOUNT

For the net use of general account expenditures for capital account purposes during the month of .....19.....

or

## 9a—ADVANCES FROM GENERAL ACCOUNT—CAPITAL ACCOUNT

TO ADVANCES TO CAPITAL ACCOUNT—GENERAL ACCOUNT

For the net use of capital account expenditures (loan funds) for general account purposes during the month of .....19.....

In any of the journal entries, 1 to 8, where the general account on the debit side does not equal the general account on the credit side, or the capital account does not similarly balance, there arises an advance between these accounts, and either one of the above (9 or 9A) journal entries for advances will be inserted collateral to that particular entry.

## 10—INVOICES AND PAYROLLS PAYABLE—SAFETY—GENERAL ACCOUNT

INVOICES PAYABLE—SUPPLIES—GENERAL ACCOUNT

INVOICES AND PAYROLLS PAYABLE—SAFETY—CAPITAL ACCOUNT

INVOICES PAYABLE—SUPPLIES—CAPITAL ACCOUNT

TO VOUCHERS SENT TO CITY CONTROLLER—SAFETY—GENERAL ACCOUNT

VOUCHERS SENT TO CITY CONTROLLER—SAFETY—CAPITAL ACCOUNT

INVOICES SENT TO DEPARTMENT OF SUPPLIES—GENERAL ACCOUNT

INVOICES SENT TO DEPARTMENT OF SUPPLIES—CAPITAL ACCOUNT

For vouchers sent to city controller and invoices sent to department of supplies during month of .....19.....

## 11—UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—GENERAL FUND

UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—LOAN FUNDS

UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—LOAN FUNDS

RESERVE FOR CONTRACTS—SAFETY—GENERAL FUND

RESERVE FOR CONTRACTS—SUPPLIES—GENERAL FUND

RESERVE FOR CONTRACTS—SAFETY—LOAN FUNDS

RESERVE FOR CONTRACTS—SUPPLIES—LOAN FUNDS

\*RESERVE FOR OPEN MARKET ORDERS—SAFETY—GENERAL FUND

\*RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—GENERAL FUND

\*RESERVE FOR OPEN MARKET ORDERS—SAFETY—LOAN FUNDS

\*RESERVE FOR OPEN MARKET ORDERS—SUPPLIES—LOAN FUNDS

TO BUDGET ALLOWANCE—SAFETY—GENERAL FUND

BUDGET ALLOWANCE—SUPPLIES—GENERAL FUND

BUDGET ALLOWANCE—SAFETY—LOAN FUNDS

BUDGET ALLOWANCE—SUPPLIES—LOAN FUNDS

\*UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—GENERAL FUND

\*UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—GENERAL FUND

\*UNENCUMBERED BALANCE OF APPROPRIATIONS—SAFETY—LOAN FUNDS

\*UNENCUMBERED BALANCE OF APPROPRIATIONS—SUPPLIES—LOAN FUNDS

Collateral to foregoing proprietary entry.

\*Reserve for Open Market Orders is debited with the total of the open market orders liquidated column of the Register of Vouchers. Should the total of open market orders liquidated be in excess of the total of open market order vouchers the difference should be credited to "Unencumbered Balance of Appropriations." If the amount of the open market order vouchers is in excess of the total open market orders liquidated, the excess is debited to "Unencumbered Balance of Appropriations." (See description of reduction and cancellation of open market orders under Register and Schedule of Vouchers sent to City Controller, Chapter VI.)

## 12—REVENUES ACCRUED, NOT DUE—GENERAL ACCOUNT

RESERVE FOR UNACCRUED REVENUES—GENERAL ACCOUNT

TO REVENUES—GENERAL ACCOUNT

For accrual of revenues during the month of .....19..... (from Register of Revenue Accrual).

## 13—RECEIVER OF TAXES—GENERAL ACCOUNT

ACCOUNTS RECEIVABLE—GENERAL ACCOUNT

REVENUES ACCRUED, NOT DUE—GENERAL ACCOUNT

REVENUES—GENERAL ACCOUNT

TO RESERVE FOR UNACCRUED REVENUES—GENERAL ACCOUNT

REVENUES—GENERAL ACCOUNT

EXPENSES—GENERAL ACCOUNT

INVESTMENT OF THE CITY—GENERAL ACCOUNT

For accounts receivable during the month of .....19..... (from Register of Income—Accounts Receivable.) See also the outline journal entry on page 119.

## 14—LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT—CAPITAL ACCOUNT

TO INVESTMENT OF THE CITY—CAPITAL ACCOUNT

For permanent properties and equipment acquired by gift during month of .....19.....

## 15—EXPENSES—GENERAL ACCOUNT

TO RESERVE FOR DEPRECIATION—CAPITAL ACCOUNT

For monthly proportion of depreciation during the month of .....19.....

## 16—ADVANCES TO GENERAL ACCOUNT—CAPITAL ACCOUNT

TO ADVANCES FROM CAPITAL ACCOUNT—GENERAL ACCOUNT

Collateral to the foregoing entry.

## 17—EXPENSES—GENERAL ACCOUNT

TO RESERVE FOR REPAIRS—GENERAL ACCOUNT

For proportion of reserve for repairs for the month of .....19.....

For use of department of supplies only:

## 18—INVOICES RECEIVED FROM DEPARTMENTS AND BUREAUS—GENERAL ACCOUNT

INVOICES RECEIVED FROM DEPARTMENTS AND BUREAUS—CAPITAL ACCOUNT

TO INVOICES PAYABLE—GENERAL ACCOUNT

INVOICES PAYABLE—CAPITAL ACCOUNT

For invoices received from various departments and bureaus during the month of .....19.....

Standard General Journal Entries for  
Closing at End of Accounting Period

## 1—REVENUES—GENERAL ACCOUNT

TO OPERATION ACCOUNT—GENERAL ACCOUNT

For closing revenue account at end of year.

## 2—OPERATION ACCOUNT—GENERAL ACCOUNT

TO EXPENSES—GENERAL ACCOUNT

For closing expense account at end of year.



- 3—VOUCHERS SENT TO CITY CONTROLLER—GENERAL ACCOUNT  
 VOUCHERS SENT TO CITY CONTROLLER—CAPITAL ACCOUNT  
 INVOICES SENT TO DEPARTMENT OF SUPPLIES—GENERAL ACCOUNT  
 INVOICES SENT TO DEPARTMENT OF SUPPLIES—CAPITAL ACCOUNT  
 TO INVESTMENT OF THE CITY—GENERAL ACCOUNT  
 INVESTMENT OF THE CITY—CAPITAL ACCOUNT

*For closing the four former accounts at the end of year.*

- 4—INVESTMENT OF THE CITY—GENERAL ACCOUNT  
 TO CITY TREASURER—GENERAL ACCOUNT  
 RECEIVER OF TAXES—GENERAL ACCOUNT

*For closing the two latter accounts at end of year.*

- 5—UNENCUMBERED BALANCE OF APPROPRIATIONS—GENERAL FUND  
 UNENCUMBERED BALANCE OF APPROPRIATIONS—LOAN FUNDS  
 RESERVE FOR CONTRACTS—GENERAL FUND  
 RESERVE FOR CONTRACTS—LOAN FUNDS  
 TO BUDGET ALLOWANCES—GENERAL FUND  
 BUDGET ALLOWANCES—LOAN FUNDS

*For merging balances of appropriations at end of year.*

- 6—ADVANCES FROM CAPITAL ACCOUNT—GENERAL ACCOUNT  
 TO INVESTMENT OF THE CITY—GENERAL ACCOUNT

*For closing the former account.*

or

- 6a—INVESTMENT OF THE CITY—GENERAL ACCOUNT  
 TO ADVANCES TO CAPITAL ACCOUNT—GENERAL ACCOUNT

*For closing the latter account.*

- 7—ADVANCES FROM GENERAL ACCOUNT—CAPITAL ACCOUNT  
 TO INVESTMENT OF THE CITY—CAPITAL ACCOUNT

*For closing the former account.*

or

- 7a—INVESTMENT OF THE CITY—CAPITAL ACCOUNT  
 TO ADVANCES TO GENERAL ACCOUNT—CAPITAL ACCOUNT

*For closing the latter account.*

- 8—OPERATION ACCOUNT—GENERAL ACCOUNT  
 TO COST OF GOODS (OR CROPS) SOLD OR CONSUMED—GENERAL ACCOUNT

*For closing to operation account the latter account.*

- 9—OPERATION ACCOUNT—GENERAL ACCOUNT  
 TO INVESTMENT OF THE CITY—GENERAL ACCOUNT

or

- 9a—INVESTMENT OF THE CITY—GENERAL ACCOUNT  
 TO OPERATION ACCOUNT—GENERAL ACCOUNT

*For closing operation account out to investment of the city.*

## CHAPTER IX

### DESCRIPTION AND USE OF THE GENERAL LEDGER

The general ledger is a record to be used for purposes of administrative and accounting control. Its accounts enable the bookkeeper to prepare summary statements showing financial condition, operating results and condition of funds. Information in detail supporting many of the accounts of the general ledger is obtainable from the schedules of balances of the various detail ledgers. The accounts carried on the general ledger are mainly accounts controlling subsidiary ledgers. They contain totals and balances to which the totals and balances of each subsidiary ledger must prove. The general ledger should be kept by the person who is responsible for the administration of the accounts of the department or bureau and for the accuracy of the postings, footings and balances in the subsidiary ledgers. The totals of the general ledger being independently arrived at, the book is also a device for holding each clerk responsible for competent and faithful service. The method employed for obtaining these totals and balances independently is to take the postings from the totals of the registers in which the documents representing transactions are recorded, while the subsidiary ledgers are posted in a distinct entry from the documents as described in Chapter I. Assuming that the entries and footings are correct, therefore, the totals and balances of a general ledger account prove to the totals of the schedule of balances and totals of a subsidiary ledger.

In opening the accounts in the general ledger it is considered advisable to keep the fund (appropriation) accounts separate from the proprietary (asset and liability) accounts. Further, in the proprietary group it is highly desirable to have all the accounts of the general account in one group, those of the capital account in one group and those of the special and trust accounts in one group. The same procedure should be followed out in reference to the fund (appropriation) accounts in the general ledger, that is, the general fund accounts, the loan fund accounts and the special and trust fund accounts should each be carried in a separate group. This is especially necessary because independent trial balances of each group are taken off.

There follows a suggested grouping of standard proprietary and fund accounts for the general ledger of an operating department or bureau (a bureau in the department of public safety used as an illustration).

### PROPRIETARY ACCOUNTS

#### GENERAL ACCOUNT

##### Debit Accounts

- (1) Cash and cash items.
- (2) Accounts receivable.
- (3) Stores.
- (4) Postage and transportation.
- (5) Work in progress.
- (6) Manufactured goods.
- (7) Crop of 19...
- (8) Cost of goods sold.
- (9) Cost of goods consumed.
- (10) Cost of crops sold.
- (11) Cost of crops consumed.
- (12) Revenues accrued, not due.

- (13) Unaccrued expenses.
- (14) Advances to capital account.
- (15) City Treasurer.
- (16) Receiver of Taxes.
- (17) Expenses.
- (18) Operation account (closing).

*Credit Accounts*

- (19) Invoices and payrolls payable—Safety.
- (19A) Invoices payable—Supplies.
- (20) Invoices sent to department of supplies.
- (21) Vouchers sent to city controller.
- (22) Advances from capital account.
- (23) Reserve for repairs.
- (24) Expenses accrued, not due.
- (25) Unaccrued revenues.
- (26) Investment of the city.
- (27) Revenues.

## CAPITAL ACCOUNT

*Debit Accounts*

- (28) Cash and cash items.
- (29) Work in progress.
- (30) Land, structures, other improvements and equipment.
- (31) Advances to general account.

*Credit Accounts*

- (32) Invoices and payrolls payable—Safety.
- (32A) Invoices payable—Supplies.
- (33) Invoices sent to department of supplies.
- (34) Vouchers sent to city controller.
- (35) Advances from general account.
- (36) Reserve for depreciation.
- (37) Investment of the city.

## SPECIAL AND TRUST ACCOUNTS

*Debit Accounts*

- (38) Cash and cash items.
- (39) Accounts receivable.
- (40) Securities and other personal properties in trust.
- (41) Land, structures, other improvements and equipment.

*Credit Accounts.*

- (42) Deposits.
- (43) Invoices payable.
- (44) Vouchers sent to city controller.
- (45) Reserves for trust beneficiaries.

## FUND ACCOUNTS

## GENERAL FUND

*Debit Accounts*

- (46) Budget allowance—Safety.
- (47) Budget allowance—Supplies.

*Credit Accounts*

- (48) Unencumbered balance of appropriations—Safety.
- (49) Unencumbered balance of appropriations—Supplies.
- (50) Reserve for contracts—Safety.
- (51) Reserve for contracts—Supplies.
- (52) Reserve for open market orders—Safety.
- (53) Reserve for open market orders—Supplies.

## LOAN FUNDS

*Debit Accounts*

- (54) Budget allowance—Safety.
- (55) Budget allowance—Supplies.

*Credit Accounts*

- (56) Unencumbered balance of appropriations—Safety.
- (57) Unencumbered balance of appropriations—Supplies.
- (58) Reserve for contracts—Safety.
- (59) Reserve for contracts—Supplies.
- (60) Reserve for open market orders—Safety.
- (61) Reserve for open market orders—Supplies.

## SPECIAL AND TRUST FUNDS

*Debit Accounts*

- (62) Budget allowance—Safety.
- (63) Budget allowance—Supplies.

*Credit Accounts*

- (64) Unencumbered balance of appropriations—Safety.
- (65) Unencumbered balance of appropriations—Supplies.
- (66) Reserve for contracts—Safety.
- (67) Reserve for contracts—Supplies.
- (68) Reserve for open market orders—Safety.
- (69) Reserve for open market orders—Supplies.

The nature of the debits and credits to the several general ledger accounts follows:

## PROPRIETARY ACCOUNTS

## CASH AND CASH ITEMS

*Debited with:*

Receipts of cash.

*Credited with:*

Disbursements of cash.

## ACCOUNTS RECEIVABLE

*Debited with:*

Expenditures.  
Sales of property.  
Sales of services.  
Sales of privileges.  
Work in progress distributed.  
Additions to accounts receivable.

*Credited with:*

Receipts.  
Allowances and reductions of accounts receivable.

## STORES

*Debited with:*

Expenditures.  
Property taken into stores.  
Stores returned to storehouses.

*Credited with:*

Stores issued on requisition.  
Stores returned to vendor.  
Depreciation of stores.  
Loss and wastage of stores.

## POSTAGE AND TRANSPORTATION

*Debited with:*

Expenditures.

*Credited with:*

Issues of postage stamps and transportation tickets.

## WORK IN PROGRESS

*Debited with:*

Expenditures.  
Stores issued.

*Credited with:*

Work in progress distributed to repairs, depreciation or property.

## MANUFACTURED GOODS

*Debited with:*

Expenditures.  
Stores issued.

*Credited with:*

Cost of manufactured goods sold.  
Cost of manufactured goods taken into stores.  
Cost of manufactured goods taken as property.  
Cost of manufactured goods taken for consumption by the city.

## CROPS

*Debited with:*

Expenditures.  
Stores issued.

*Credited with:*

Crops taken into stores.  
Cost of crops sold.  
Cost of crops consumed.

## COST OF GOODS (OR CROPS) SOLD OR CONSUMED

*Debited with:*

Cost of goods (or crops) sold or consumed.

*Credited with:*

\*Closing to operation account.

## EXPENSES

*Debited with:*

Expenditures chargeable direct to expense.  
Stores issued.  
Reserve for repairs.  
Reserve for depreciation.  
Work in progress of an expense nature completed.  
Services rendered by other departments charged to expense.

*Credited with:*

Receipts in abatement of expense.  
Closing entry to operation account.

## LAND, STRUCTURES, OTHER IMPROVEMENTS AND EQUIPMENT

*Debited with:*

Expenditures.  
Stores issued.  
Work in progress completed.  
Gifts of property.

*Credited with:*

Property disposed of.  
Property condemned.

## SECURITIES

*Debited with:*

Par value of purchases of securities.

*Credited with:*

Sales of securities.  
Principal of securities received at maturity.

## ADVANCES TO CAPITAL ACCOUNT FROM GENERAL ACCOUNT

*Debited with:*

General account expenditures and other general account transactions for the benefit of the capital account.

*Credited with:*

Closing entry charging investment of the city general account.

\*In practice the above would be divided into four parts as follows:

Cost of goods sold;  
Cost of crops sold;  
Cost of goods consumed; and  
Cost of crops consumed.

## ADVANCES FROM CAPITAL ACCOUNT TO GENERAL ACCOUNT

*Debited with:*

Closing entry crediting investment of the city general account.

*Credited with:*

Capital account expenditures and other capital account transactions for the benefit of the general account.

## ADVANCES TO GENERAL ACCOUNT FROM CAPITAL ACCOUNT

*Debited with:*

Capital account expenditures and other capital account transactions for the benefit of the general account.

*Credited with:*

Closing entry charging investment of the city capital account.

## ADVANCES FROM GENERAL ACCOUNT TO CAPITAL ACCOUNT

*Debited with:*

Closing entry crediting investment of the city capital account.

*Credited with:*

General account expenditures and other general account transactions for the benefit of the capital account.

## CITY TREASURER (OR RECEIVER OF TAXES)

*Debited with:*

Cash paid by a department or bureau to either of these officials, or accounts turned over to them for collection.

*Credited with:*

Closing entry charging investment of the city.

## UNACCRUED EXPENSES (EXPENSES PAID IN ADVANCE)

*Debited with:*

Expenses due and vouchered, but which have not yet accrued.

*Credited with:*

Accruals to expenses.

## RESERVE FOR REPAIRS

*Debited with:*

Expenditures for repairs.

*Credited with:*

Monthly percentage of repairs required to maintain the properties in good operating condition.

## RESERVE FOR DEPRECIATION

*Debited with:*

Expenditures for replacements of properties.

*Credited with:*

Estimated depreciation of properties (monthly percentage).

## REVENUES

*Debited with:*

Abatements of revenue.

Entry closing to operation account.

*Credited with:*

Revenues accrued.

## UNACCRUED REVENUES

*Debited with:*

Revenues accrued.

*Credited with:*

Revenues due but not accrued.

## EXPENSES ACCRUED, NOT DUE

*Debited with:*

Expenses due (invoices payable).

*Credited with:*

Expenses accrued, but not due and payable.

## OPERATION ACCOUNT

*Debited with:*

Entry closing expense.

Entry transferring operating surplus from operation to surplus account.

*Credited with:*

Entry closing revenue.

Entry transferring operating deficit from operation to surplus account.

Entry closing cost of goods (or crops) sold or consumed.

## INVESTMENT OF THE CITY

*Debited with:*

Entry closing advances to other accounts.

Allowances and reductions from accounts receivable.

Entry closing account with city treasurer (or receiver of taxes).

Entry transferring deficit from operation account.

*Credited with:*

Entry closing advances from other accounts.

Vouchers sent to city controller.

Invoices sent to department of supplies.

Additions to accounts receivable.

Entry transferring surplus from operation account.

## INVOICES AND PAYROLLS PAYABLE

*Debited with:*

Vouchers sent to city controller.

Invoices sent to department of supplies.

*Credited with:*

Invoices and payrolls registered.

## VOUCHERS SENT TO CITY CONTROLLER

*Debited with:*

Closing entry crediting investment of the city.

*Credited with:*

Vouchers sent to city controller.

## INVOICES SENT TO DEPARTMENT OF SUPPLIES

*Debited with:*

Closing entry crediting investment of the city.

*Credited with:*

Invoices sent to department of supplies.

## DEPOSITS

*Debited with:*

Withdrawals of deposits.

*Credited with:*

Deposits received.

## RESERVES FOR TRUST BENEFICIARIES

*Debited with:*

Cash disbursements for trust purposes.

*Credited with:*

Cash receipts for trust purposes.

## FUND ACCOUNTS

## BUDGET ALLOWANCE

*Debited with:*

Appropriations.

*Credited with:*

Vouchers sent to city controller.

Invoices sent to department of supplies.

## UNENCUMBERED BALANCE OF APPROPRIATIONS

*Debited with:*

Contracts registered.

Open market orders issued.

Payroll and miscellaneous vouchers (invoices) sent to city controller (department of supplies).

*Credited with:*

Appropriations.

Contracts reduced and annulled.

## RESERVE FOR CONTRACTS

*Debited with:*

Contracts reduced or annulled.

Contract vouchers sent to city controller.

*Credited with:*

Contracts registered.

## RESERVE FOR OPEN MARKET ORDERS

*Debited with:*

Open market orders reduced or annulled.

Open market order vouchers sent to city controller.

*Credited with:*

Open market orders issued.

## CHAPTER X

## DESCRIPTION AND USE OF MONTHLY REPORTS FROM DETAIL LEDGERS

THESE monthly reports are schedules of balances and totals taken from detail ledgers and must be made in duplicate and one copy transmitted to the city controller.

The schedule of balances and totals of a detail ledger (1) provides a means for proving the accuracy of the detail ledger to its controlling account in the general ledger, and (2) makes available in report form the information contained in the detail ledger.

The special forms designed for this purpose are as follows:

1. Monthly Appropriation Statement.
2. Monthly Contract Statement.
3. Monthly Open Market Order Statement.
4. Monthly Comparative Stores Statement.
5. Monthly Statement of Expenses Incurred.
6. Monthly Work in Progress Statement.
7. Monthly Statement of Permanent Properties and Equipment.
8. Monthly Reserve for Repairs Statement.
9. Monthly Depreciation Statement.
10. Monthly Revenue Statement.
11. Monthly Cash Statement.

The purpose of transmitting monthly statements to the city controller of the various financial transactions that have taken place in departments during a month is primarily to effect a reconciliation between the records kept in departments and the controlling and other accounts with departments kept in the department of city controller.

## 1. MONTHLY APPROPRIATION STATEMENT (FORM 25)

This schedule of balances and totals is prepared from the appropriation ledger—general fund, loan funds and special and trust funds. As the appropriation ledger is divided into three fund divisions, the schedule of balances is naturally divided into three parts, each of which is proven independently to the respective controlling accounts in the general ledger.

In the first column is entered the item number and the nature of the fund, whether general, loan or special and trust funds, and in the second column the title of the appropriation account. Thereafter on the same line is entered, in the first money column, the unencumbered balance of the appropriation at the beginning of the month for which the statement is prepared, and in the next column the total of additional appropriations, transfers to and any other credits to appropriations that may have been made during that month.

In the columns under the general caption of "Debits" there is entered respectively, the total of all the debit amounts for the month distributed in the four columns to the right, viz.: "Appropriation transfers from," "Contracts Registered," "Open Market Orders Issued," "Payroll and Miscellaneous Vouchers Charged." The "Appropriation Transfers from" will be the total of red ink figures in an appropriation account representing transfers therefrom to other appropriation accounts. The "Contracts Registered" is the total contracts registered in a month less any deductions or cancellations of contracts during the same period. The "Open Market Orders Issued" is the total open market orders issued for a month, as noted in the "Estimated Amount" column, plus or minus any adjustments effected during the month, as noted in the "Add" or "Deduct" columns, under the general caption of "Open

Market Order Encumbrances" of the appropriation ledger. The debits entered in the "Payroll and Miscellaneous Vouchers Charged" column comes from the "Payroll and Miscellaneous" column in the appropriation ledger under the general caption of "Expenditures." In the last column of the schedule is noted the unencumbered balance of each appropriation at the close of the month covered by the schedule. This balance is arrived at by subtracting the "Total Debits" column from the sum of the two credit columns to the left. The proof of the accuracy of the individual balances noted in the last column is arrived at by adding whatever amount is in that column to the amount in the "Total Debits" column, the sum of which should equal the sum of the two credit columns. The total of the "Total Debits" column deducted from the sum of the totals of the two credit columns should be the grand total of unencumbered balances of appropriations of a department at the end of a month. The sum of the totals of the four debit columns should equal the total of "Total Debits" column.

## 2. MONTHLY CONTRACT STATEMENT (FORM 26)

This schedule of balances and totals is prepared from the contract ledger. The various details as to ledger folio, item number of appropriation charged, whether contract is a charge to a general fund, loan fund, or special and trust fund appropriation, the contract number, date of contract and contractor's name, is noted in the several columns provided for that purpose. As the contract ledger is divided into the three fund divisions, the schedule of balances is naturally divided similarly into three parts, each of which is to be proven independently to the respective controlling accounts in the general ledger.

The unexpended balance of a contract at the beginning of the month for which the schedule is prepared is indicated in the first money column. While these balances are taken from the respective ledger accounts, each of them should be checked to the closing balance of the same account on the schedule of balances of the preceding month.

The amount of contracts registered during the month is entered in the second column as credits, and the information is obtained from the "Amount of Contract" column of the contract ledger.

Contract vouchers charged during the month are obtained from the "Amount" column, under the heading "Vouchers" of the contract ledger.

The "Unexpended Balance of Contract at End of Month" is the balance obtained by subtracting the amount of the "Contract Vouchers Charged during the month and other debits" column from the sum of the two credit columns to the left, *viz.*: the unexpended balance at the beginning of month and contracts executed, etc., during the month. By totaling all the columns of this schedule the grand total of unexpended balances of contract at the end of the month is proved in the same way as explained above for the unexpended balances in individual contracts.

## 3. MONTHLY OPEN MARKET ORDER STATEMENT (FORM 27)

This schedule of balances and totals is prepared from the claimants' ledger. As the claimants' ledger is divided into the three fund divisions, the schedule of balances is naturally divided similarly into three parts, each of which is proven independently to the respective controlling accounts thereof in the general ledger.

The folio page of the ledger, the appropriation item number charged, and the nature of the fund, *i. e.*, whether general, loan, or special and trust, is indicated in the respective columns to the left of the schedule. In the next four columns are shown respectively "Order No.," "Date Order Issued," "Date Goods Delivered," and "Indicate Whether Partial (P) or Complete (C) Delivery."

The name of the claimant is indicated in the column headed "Vendor." The balance of "unvouchered orders at beginning of the month" for which the schedule is prepared is entered in the next column under that title. This balance is the difference between the "Open

Market Orders Issued" column and the total of the vouchers drawn on open market orders, as indicated in the column under "Vouchers," plus or minus any adjustments. The same balance may be obtained by deducting from the total of orders issued the total of orders liquidated.

In the column headed "Open Market Orders Registered During Month and Other Credits" is entered for each claimant's account the total amount of orders issued to him during the month under review, as indicated in the open market orders issued column and of any voucher adjustments noted for the month in the column "Add" under the caption "Adjustments" of the claimants' ledger.

In the column headed "Open Market Order Vouchers Charged During Month and Other Debits" is noted the total amount for the month of the "Vouchers" column and of the "Deduct" column in each claimant's ledger account. The credit balance in each claimant's account of "Unvouchered Orders at End of Month," called for in the last column of the schedule, is the difference between the sum of the first two credit columns of the schedule, and the amount entered in the debit column for vouchers charged during the month. The grand total balance of unvouchered orders at the end of the month of all claimants' accounts is determined in the same way for individual balances after the schedule has been completed and all its columns totaled.

## 4. MONTHLY STORES STATEMENT (FORM 28)

This is a schedule of balances and totals taken from the stores ledger by *money values* rather than quantities, and it should be checked in total to the controlling account "stores" in the general ledger.

The folio number of the stores ledger page of each article scheduled is noted in the column "Folio." Under "Code Letter No." is entered the code symbol of each article of stores if such classification has been established, and in the next column under "Title of Stores Ledger" is noted the name of the article.

In the first three debit columns there are noted respectively for each article of stores the balance on hand at the beginning of the month for which the statement is being prepared, the total received during the month, and stores returned (if any) to the storehouse during the month.

In the "Stores Issued During the Month" column is noted for each article the total of that article issued from the storehouse during the month.

The debit balance of "Stores on Hand at End of Month" column is the difference between the sum of the entries in the first three debit columns and the amount in the "Stores Issued During the Month—Credits" column of the schedule.

The last column of the schedule with the title "Stores on Hand at End of Same Month Last Year—Debit Balance" is filled in from the report of the same month of the previous year. This column is for comparative purposes to note the fluctuation of articles held in storehouse.

The schedule should be totaled when completed, and the grand total balances on hand at the end of the month of a stores ledger should be proved in the same way that the balance on hand at end of month is determined for each article.

## 5. MONTHLY STATEMENT OF EXPENSES INCURRED (FORM 29)

This schedule of balances and totals is prepared from the expense ledger, and it should be checked in total to the controlling account "expense" in the general ledger.

In the column "Folio" is noted the folio page of each account in the expense ledger. In the column "Code Letter or No." is entered the code symbol of the expense account in accordance with the classification of expenses established for a department or bureau. The title of each expense account is indicated in the column so headed.



In the column headed "Total Expenses for the Month" is entered the total amount of expense items charged to each account in the expense ledger for the month for which the statement is prepared, less any abatements or adjustments (credits), and on the same line in the next column, under the title of "Total Expenses for the Same Month Last Year," is noted similarly the total amount of expense items charged in the same expense account for the same period last year. If the expense classification this year is different from that of last year, or the information relating to last year's expense accounts cannot readily be compared with the expense classification of the current month and year, then the column "Total Expenses for the Same Month Last Year" will be left blank until an accurate comparison of expenses by months and years can be scheduled. The same is true of the last two columns on the schedule. A department which can make a comparison of the current year's classification of expenses with that of last year fills in the information called for in these two columns, otherwise the columns in question remain blank for the current year.

If the month for which the schedule is being prepared is, say, the month of June, 19..., then "six" is written in on the blank line of the title heading of the third column, making it read "Total Expenses for the Six Months Ending June 30, 19...", and below opposite each expense account is entered the total amount of expense items charged therein, less any abatements or adjustments (credits), during the six months ended with June 30, 19....

In the last column on the schedule the total expense items charged to each expense account for the six months ended June 30, 19..., is noted as a basis for a comparison of expense accounts covering the same period in the previous year.

#### 6. MONTHLY WORK IN PROGRESS STATEMENT (FORM 30)

This schedule of balances and totals is prepared from the work in progress ledger, and it should be checked in total to the controlling account "work in progress" in the general ledger. Columns are provided for "Folio" and "Code Numbers" of each job in progress. In the columns headed "Name of Job" should be listed the various jobs or titles of the accounts, and in the column "Balance at Beginning of the Month" the balances of the various jobs at beginning of month. The total expenditures for the month for work in progress (work done), together with any other debits, is placed in the next column. The following column provides for "Work in Progress Distributed" to property or expense during the month, or any other credits. The final column is the "Balance at the End of the Month" and represents the work in progress which has not yet been completed and distributed. This column should be checked by adding the expenditures to the balance at the beginning and deducting the work in progress distributed.

#### 7. MONTHLY STATEMENT OF PERMANENT PROPERTIES AND EQUIPMENT (FORM 31)

This schedule of balances and totals is prepared from the property ledger, and it should be checked in total to the controlling account "land, structures, other improvements and equipment" in the general ledger. The column headed "Folio" is for the page of each account in the property ledger. "Code Letter or Number" refers to the code symbol and number of the property account, according to the property classification. The title of the property account is entered in the column provided for that purpose. The property balances at the beginning of the month (cost value) are entered in the next column. The next column is for the "Acquisitions of Property and Other Debits During the Month." Then follows a column for "Property Disposed of During the Month and Other Credits." The fourth amount column shows the "Balance at End of Month (Cost Value)." The figures in this column should be checked by adding the property additions to the balance at the beginning of the month and deducting the dispositions or other credits.

The final column of the form provides for showing the "Balance (Cost Value) at the End of the Same Month Last Year." The purpose of this column is to enable the executive to compare the status of the property balances this year with that of last year, and to have in mind the net increase or decrease in the city's investment in permanent properties and equipment in detail as to various kinds of properties and their several functional uses. A direct relation is maintained by the experienced administrator between the property investment and the results produced or work performed. The statements of condition of and changes in the property accounts, expenses and work performed, are the most essential guides in determining whether or not adequate results are being obtained.

#### 8. MONTHLY RESERVE FOR REPAIRS STATEMENT (FORM 32), AND

#### 9. MONTHLY DEPRECIATION STATEMENT (FORM 33)

These schedules of balances and totals are prepared from the reserve for repairs and depreciation ledger, and should be checked in totals to the controlling accounts "reserve for repairs" and "reserve for depreciation" in the general ledger. As in the other schedules of balances columns are provided for "Folio" and "Code Number." Then follow columns for "Title of Property Class," "Cost Valuation of Property in the Class" and "Balances of Reserve at Beginning of Month."

In the monthly statement of reserve for repairs (Form 32), the third money column is for "Monthly Addition to Reserve for Repairs," which is a credit column. "Expenditures for Repairs," debits, are shown in the next column, and the final column is for "Balance of Reserve for Repairs at End of Month." In the monthly statement of reserve for depreciation (Form 33), the third money column is for "Monthly Depreciation," which is a credit column. "Expenditures for Replacements" are next shown as debits, and the final column is for "Balance of Reserve for Depreciation at End of Month."

Both of these final columns should be checked by adding the credit columns to the balances at the beginning of the month and deducting the debits to get the balance at the end of the month.

#### 10. MONTHLY REVENUE STATEMENT (FORM 34)

This schedule of balances and totals is prepared from the revenue ledger, and should be checked in total to the controlling account "revenue" in the general ledger. This schedule has columns for "Folio" and "Code Number" as in the other schedules. The "Source of Revenue" (or title of accounts) is then given. The next columns provide for "Balance at the Beginning of the Month," "Revenue Accrual for the Month" (credits) and "Abatement of Revenue" and "Other Debits." The final column shows the "Balance at End of Month," and it should be checked by adding the revenue accruals for the month to the balance at the beginning and deducting the abatements of revenue.

#### 11. MONTHLY STATEMENT OF CASH TRANSACTIONS (FORM 35)

This schedule of balances and totals is prepared from the cash ledger and should be checked in total to the controlling account "cash" in the general ledger.

The column headed "Folio" is for the page of each account in the cash ledger. "Title of account" refers to the name of the particular account or accounts according to the classification in the cash ledger.

In the third column is shown the receipts of the month for which the report is prepared. Next is shown the similar receipts for the same month of the previous year for comparative purposes. The fifth column provides for the total receipts this year to date, and the sixth column the receipts in the same period of the previous year. In the final column is shown the amounts disbursed to other officers during the month.





FORM NO. 29

CITY OF PHILADELPHIA

DEPARTMENT OF PUBLIC WORKS

BUREAU OF GAS

MONTHLY STATEMENT OF EXPENSES INCURRED

SCHEDULE OF BALANCES AND TOTALS OF EXPENSE LEDGER

FOR THE MONTH OF .....19.....

WITH COMPARISONS

FOLIO	CODE LETTER OR NO.	TITLE OF EXPENSE ACCOUNT	TOTAL EXPENSES FOR THE MONTH	TOTAL EXPENSES FOR SAME MONTH LAST YEAR	TOTAL EXPENSES FOR THE MONTHS ENDING .....19.....	TOTAL EXPENSES FOR THE MONTHS ENDING .....19.....

FORM 29—THE ACTUAL SIZE OF THE MONTHLY STATEMENT OF EXPENSES INCURRED IS 14" X 17".

FORM NO. 30

CITY OF PHILADELPHIA

DEPARTMENT OF PUBLIC WORKS

BUREAU OF SURVEYS

MONTHLY WORK IN PROGRESS STATEMENT

SCHEDULE OF BALANCES AND TOTALS OF WORK IN PROGRESS LEDGER

FOR THE MONTH OF .....19.....

FOLIO	JOB NUMBER	NAME OF JOB	BALANCE AT BEGINNING OF MONTH	TOTAL EXPENSES DURING MONTH	WORK IN PROGRESS DISTRIBUTED EXPENSE PROPERTY	BALANCE END OF MONTH

FORM 30—THE ACTUAL SIZE OF THE MONTHLY WORK IN PROGRESS STATEMENT IS 14" X 17".

# MONTHLY STATEMENT OF PERMANENT PROPERTIES AND EQUIPMENT

SCHEDULE OF TOTALS AND BALANCES OF PROPERTY LEDGER

FOR THE MONTH OF \_\_\_\_\_ 19\_\_\_\_

Folio	CODE LETTER OR NO.	TITLE OF PROPERTY ACCOUNT	BALANCE (COST VALUE) AT BEGINNING OF MONTH DEBIT BALANCE	PROPERTY ACQUIRED (COST) DURING THE MONTH, AND OTHER DEBITS	PROPERTY DISPOSED OF (COST VALUE) DURING THE MONTH, AND OTHER CREDITS	BALANCE (COST VALUE) AT END OF MONTH DEBIT BALANCE	BALANCE (COST VALUE) AT END OF YEAR DEBIT BALANCE

FORM 31—THE ACTUAL SIZE OF THE MONTHLY STATEMENT OF PERMANENT PROPERTIES AND EQUIPMENT IS 14" X 17".

# MONTHLY RESERVE FOR REPAIRS STATEMENT

SCHEDULE OF TOTALS AND BALANCES OF RESERVE FOR REPAIRS LEDGER

FOR THE MONTH OF \_\_\_\_\_ 19\_\_\_\_

Folio	CODE NUMBER	TITLE OF PROPERTY CLASS	COST VALUE PROPERTY	BALANCE OF RESERVE AT BEGINNING OF MONTH	MONTHLY ADDI- TION FOR REPAIRS	EXPENDITURES FOR REPAIRS	BALANCE OF RESERVE AT END OF MONTH

FORM 32—THE ACTUAL SIZE OF THE MONTHLY RESERVE FOR REPAIRS STATEMENT IS 14" X 17".







after all journal entries for the month have been entered and posted, a trial balance should be taken off as of the beginning of the year, January 1, after opening monthly journal entries have been posted and before the posting of any monthly journal entries for transactions for the month of January. A trial balance should also be taken after all closing journal entries have been posted at the close of the year. This makes fourteen trial balances for the year.

A trial balance is taken from the general ledger by footing the debits and the credits of each account, deducting the smaller from the larger and entering the balance thus obtained on the trial balance form, in the debit column if the sum of the debits exceeds the sum of the credits, and in the credit column if the reverse is the case.

#### CHECKS ON ACCURACY OF THE MONTHLY TRIAL BALANCE OF THE GENERAL LEDGER

1. When the balances of all accounts in the general ledger have been entered in the trial balance see that the sum of the debits equals the sum of the credits.

2. See that the sum of the debits equals the sum of the credits for the general account, capital account, special and trust accounts, general fund, loan funds and special and trust funds.

3. See that the totals of each of the monthly statements (schedules of balances and totals), described in Chapter X agree with the balances of their respective controlling accounts in the general ledger.

4. See that the balance of account "advances to capital account—general account," and balance of account "advances from general account—capital account" equal one another, one being a debit balance and the other a credit balance. Apply the same check to any other advances between accounts.

5. Check the balances of the accounts "vouchers sent to city controller—general account" and "invoices sent to department of supplies—general account" with the reduction in the "budget allowance—general fund" for the month. Apply the same test to the similar accounts of the capital account and loan funds, and of the special and trust accounts and special and trust funds.

It is from the trial balance of the general ledger that the summary monthly reports are prepared showing financial condition, operating results and condition of funds. The trial balance at the beginning of the year after opening journal entries have been posted furnishes the balances of accounts for preparing balance sheets as of January 1 for comparison with balance sheets and operation accounts as of later dates during the year. The trial balance at the close of the year after all closing journal entries have been posted furnishes the balances of accounts for the balance sheets and operation accounts as of the close of the year.

#### FORMS FOR SUMMARY REPORTS

There follow the forms for the summary consolidated balance sheet (Exhibit "A"), the general account balance sheet, operation accounts and investment of the city account (Exhibit "B"), the capital account balance sheet (Exhibit "C"), the special and trust account balance sheet (Exhibit "D") and the general, loan and special and trust funds balance sheets (Exhibit "E").

#### CITY OF PHILADELPHIA

DEPARTMENT OF..... BUREAU OF.....

#### SUMMARY CONSOLIDATED BALANCE SHEET

SHOWING ASSETS, LIABILITIES, NET INVESTMENT OF THE CITY, APPROPRIATIONS, RESERVES AND FUNDS

AS OF.....19..

PROPRIETARY ACCOUNTS	Totals	General Account See Exhibit "B"	Capital Account See Exhibit "C"	Special and Trust Accounts See Exhibit "D"
<b>ASSETS AND DEFERRED DEBITS</b>				
Cash and cash items.....	—	—	—	—
Amounts due to city—accounts receivable.....	—	—	—	—
Working assets .....	—	—	—	—
Land, structures, other improvements and equipment.....	—	—	—	—
Securities and other personal properties in trust.....	—	—	—	—
Due from other accounts.....	—	—	—	—
Deferred debits .....	—	—	—	—
<b>Total assets and deferred debits.....</b>	—	—	—	—
<b>LIABILITIES, RESERVES AND DEFERRED CREDITS</b>				
Invoices and payrolls payable.....	—	—	—	—
Due to other accounts.....	—	—	—	—
Other liabilities .....	—	—	—	—
Reserves .....	—	—	—	—
Deferred credits .....	—	—	—	—
<b>Total liabilities, reserves and deferred credits</b>	—	—	—	—
<b>Net investment of the city.....</b>	—	—	—	—
<b>Totals (as above).....</b>	—	—	—	—
<b>BALANCES OF APPROPRIATIONS AND FUNDS</b>				
Unexpended balances of budget allowances—total.....	—	—	—	—
Unexpended balance of appropriations—safety.....	—	—	—	—
Unencumbered balance of appropriations—safety .....	—	—	—	—
Reserve for contracts—safety.....	—	—	—	—
Reserve for open market orders—safety.....	—	—	—	—
Unexpended balance of appropriations—supplies.....	—	—	—	—
Unencumbered balance of appropriations—supplies .....	—	—	—	—
Reserve for contracts—supplies.....	—	—	—	—
Reserve for open market orders—supplies.....	—	—	—	—

FORM 36—EXHIBIT "A"

DEPARTMENT OF .....  
BUREAU OF .....

CITY OF  
**GENERAL**  
BALANCE

ASSETS	Balance, 19....	Increases (Debits)	Decreases (Credits)	Balance, 19....
Cash and cash items.....	—	—	—	—
Accounts receivable.....	—	—	—	—
Stores (as per Schedule No. ....)	—	—	—	—
Work in progress (as per Schedule No. ....)	—	—	—	—
Crop of 19....	—	—	—	—
Manufactured goods.....	—	—	—	—
*Advances to capital account.....	—	—	—	—
†Revenues accrued, not due.....	—	—	—	—
†Unaccrued expenses.....	—	—	—	—
<b>Total assets</b> .....	—	—	—	—

OPERATION

Expenses incurred (as per Schedule No. ....)	—	—	—	—
Excess of revenues over expenses.....	—	—	—	—
<b>Total</b> .....	—	—	—	—

INVESTMENT

<b>Debits:</b>				
Excess of expenses over revenues (as above).....	—	—	—	—
.....	—	—	—	—
.....	—	—	—	—
.....	—	—	—	—
Balance at....., 19.... (see general account balance sheet above).....	—	—	—	—
<b>Total debits</b> .....	—	—	—	—

NOTE:—The references to schedules upon this exhibit are to schedules of balances and totals of detail ledgers, the this is the schedule of invoices and payrolls payable, the schedule for which is prepared from the open  
\*At the end of an accounting period these accounts will be closed and not appear in the statement.  
†Will not appear in end of the year balance sheets.

FORM 37—

PHILADELPHIA  
**ACCOUNT**  
SHEET

STATEMENT AS OF.....19...., AND.....  
19...., WITH INCREASES AND DECREASES.

LIABILITIES AND RESERVES	Balance, 19....	Increases (Credits)	Decreases (Debits)	Balance, 19....
Invoices and payrolls payable—safety (Schedule No. ....)	—	—	—	—
Invoices payable—supplies (as per Schedule No. ....)	—	—	—	—
*Invoices sent to department of supplies.....	—	—	—	—
*Vouchers sent to city controller.....	—	—	—	—
Reserve for repairs (as per Schedule No. ....)	—	—	—	—
*Advances from capital account.....	—	—	—	—
†Expenses accrued, not due.....	—	—	—	—
†Unaccrued revenues.....	—	—	—	—
Investment of the city.....	—	—	—	—
<b>Total liabilities, reserves and investment of the city</b> .....	—	—	—	—

ACCOUNTS

Revenues accrued (as per Schedule No. ....)	—	—	—	—
Excess of expenses over revenues.....	—	—	—	—
<b>Total</b> .....	—	—	—	—

OF THE CITY

Balance at....., 19.... (see general account balance sheet above).....	—	—	—	—
<b>Credits:</b>				
Excess of revenues over expenses (as above).....	—	—	—	—
.....	—	—	—	—
.....	—	—	—	—
.....	—	—	—	—
<b>Total credits</b> .....	—	—	—	—

totals of which should prove to their respective controlling accounts in the general ledger. The only exception to items (unvouchered invoices) on the register of invoices and payrolls.

EXHIBIT "B"

DEPARTMENT OF .....  
BUREAU OF .....

CITY OF  
**CAPITAL**  
BALANCE

PERMANENT FUNDS, PROPERTIES

ASSETS	Balance, 19....	Increases (Debits)	Decreases (Credits)	Balance, 19....
Cash and cash items.....	—	—	—	—
Work in progress (as per Schedule No.....)	—	—	—	—
Land, structures, other improvements and equipment (as per Schedule No.....)	—	—	—	—
*Advances to general account.....	—	—	—	—
<b>Total assets</b> .....	—	—	—	—

NOTE:—The references to schedules upon this exhibit are to schedules of balances and totals of detail ledgers, the  
this is the schedule of invoices and payrolls payable, the schedule for which is prepared from the open  
\*At the end of an accounting period these accounts will be closed and not appear in the statement.

FORM 38—

PHILADELPHIA  
**ACCOUNT**  
SHEET  
AND IMPROVEMENTS

STATEMENT AS OF.....19...., AND.....  
19...., WITH INCREASES AND DECREASES.

LIABILITIES AND RESERVES	Balance, 19....	Increases (Credits)	Decreases (Debits)	Balance, 19....
Invoices and payrolls payable—safety (as per Schedule No. .... ) .....	—	—	—	—
Invoices payable—supplies (as per Schedule No.....)	—	—	—	—
*Advances from general account.....	—	—	—	—
Reserve for depreciation (as per Sch. No.....)	—	—	—	—
Investment of the city.....	—	—	—	—
<b>Total liabilities, reserves and investment of the city</b> .....	—	—	—	—

totals of which should prove to their respective controlling accounts in the general ledger. The only exception to  
items (unvouchered invoices) on the register of invoices and payrolls.

EXHIBIT "C"

DEPARTMENT OF .....  
BUREAU OF.....

CITY OF  
**SPECIAL AND**  
BALANCE

ASSETS	Balance, 19....	Increases (Debits)	Decreases (Credits)	Balance, 19....
Cash and cash items.....	—	—	—	—
Accounts receivable .....	—	—	—	—
Securities and other personal properties in trust (as per Schedule No....)	—	—	—	—
Land, structures, other improvements and equipment in trust (as per Schedule No....)	—	—	—	—
*Advances to other accounts.....	—	—	—	—
<b>Total assets</b> .....	—	—	—	—

NOTE:—The references to schedules upon this exhibit are to schedules of balances and totals of detail ledgers, the  
\*At the end of an accounting period, these accounts will be closed and not appear in the statement.

FORM 39—

PHILADELPHIA  
**TRUST ACCOUNTS**  
SHEET

STATEMENT AS OF.....19...., AND.....  
19...., WITH INCREASES AND DECREASES.

LIABILITIES AND RESERVES	Balance, 19....	Increases (Credits)	Decreases (Debits)	Balance, 19....
Invoices payable .....	—	—	—	—
Deposits .....	—	—	—	—
Reserves for funds held for specific purposes.....	—	—	—	—
Reserve for trust beneficiaries.....	—	—	—	—
*Advances from other accounts.....	—	—	—	—
<b>Total liabilities and reserves</b> .....	—	—	—	—

totals of which should prove to their respective controlling accounts of the general ledger.

EXHIBIT "D"

DEPARTMENT OF .....  
BUREAU OF .....

CITY OF  
**COMPARATIVE FUND**  
GENERAL

DEBIT BALANCES	Balance, 19....	Increases (Debits)	Decreases (Credits)	Balance, 19....
Budget allowance—safety .....	—	—	—	—
Budget allowance—supplies .....	—	—	—	—
<b>Total debits—general fund.....</b>	—	—	—	—

**LOAN**

Budget allowance—safety .....	—	—	—	—
Budget allowance—supplies .....	—	—	—	—
<b>Total debits—loan funds.....</b>	—	—	—	—

**SPECIAL AND**

Budget allowance .....	—	—	—	—
<b>Total debits—special and trust funds.....</b>	—	—	—	—

NOTE:—The references to schedules upon this exhibit are to schedules of balances of detail ledgers, the  
**FORM 40—**

PHILADELPHIA  
**BALANCE SHEET**  
FUND

STATEMENT SHOWING THE PROVISIONS MADE FOR FINANCING  
THE FUTURE NEEDS OF THE BUREAU (OR DEPARTMENT) OF  
....., TOGETHER WITH THE CONDITION OF  
FUNDS AND APPROPRIATIONS, AS OF.....19...,  
AND.....19..., WITH INCREASES AND  
DECREASES.

CREDIT BALANCES	Balance, 19....	Increases (Credits)	Decreases (Debits)	Balance, 19....
Unexpended balance of appropriations—safety.....	—	—	—	—
Unencumbered balance of appropriations—safety (as per Schedule No.....)	—	—	—	—
Reserve for contracts—safety (Schedule No.....)	—	—	—	—
Reserve for open market orders—safety (Sch. No.....)	—	—	—	—
Unexpended balance of appropriations—supplies.....	—	—	—	—
Unencumbered balance of appropriations—supplies (as per Schedule No.....)	—	—	—	—
Reserve for contracts—supplies (Schedule No.....)	—	—	—	—
Reserve for open market orders—supplies (Sch. No.....)	—	—	—	—
<b>Total credits—general fund.....</b>	—	—	—	—

**FUNDS**

Unexpended balance of appropriations—safety.....	—	—	—	—
Unencumbered balance of appropriations—safety (as per Schedule No.....)	—	—	—	—
Reserve for contracts—safety (Schedule No.....)	—	—	—	—
Reserve for open market orders—safety (Sch. No.....)	—	—	—	—
Unexpended balance of appropriations—supplies.....	—	—	—	—
Unencumbered balance of appropriations—supplies (as per Schedule No.....)	—	—	—	—
Reserve for contracts—supplies (Schedule No.....)	—	—	—	—
Reserve for open market orders—supplies (Sch. No.....)	—	—	—	—
<b>Total credits—loan funds.....</b>	—	—	—	—

**TRUST FUNDS**

Unencumbered balance of appropriations (as per Schedule No.....)	—	—	—	—
Reserve for contracts (as per Schedule No.....)	—	—	—	—
Reserve for open market orders (as per Schedule No.....)	—	—	—	—
<b>Total credits—special and trust funds.....</b>	—	—	—	—

totals of which should prove to their respective controlling accounts of the general ledger.  
**EXHIBIT "E"**



## CHAPTER XII

### A MUNICIPAL FINANCIAL PROGRAM—BUDGET-MAKING

#### MUNICIPAL FINANCIAL PROGRAM

THE authority of the executive officers of the city to raise and spend money for municipal purposes is granted by city councils, and is embodied in appropriation acts or ordinances and in general statutes and ordinances with reference to the raising of public money and the use or application of the same.

The aggregate of the authorizations thus granted or made available in a specified year constitutes the municipal financial program for that year.

#### MUNICIPAL BUDGET

A municipal budget is a plan for financing a municipality during a definite period, which is prepared and submitted by a responsible executive to a representative legislative body whose approval and authorization are necessary before the plan may be executed.

To be of greatest administrative assistance a municipal budget should be a final and complete statement of the character described, and at the same time furnish the data from which the citizens will be enabled to exercise intelligent judgment concerning past and proposed expenditures and the methods employed or recommended for financing them.

#### PREPARATION OF ANNUAL ESTIMATES

The expense ledger, the property ledger and the stores ledger are designed to admit of ready transfer of the required expenditure data to the budget sheets.

The primary classification of expenditures as affected or changed by the secondary classifications (as heretofore explained in Chapter IV) is to be used in stating expenditures in the budget for comparison with appropriations and estimated requirements for the new year. By stating expenditures in the terms of the accounts to which they are finally distributed, the expenditure statement is reconciled as near as possible with the expense, stores, property and other accounts to which expenditures are charged. There, however, are elements in these accounts that arise from transactions other than expenditures, and for this reason the total of all the transactions in expense, stores, property and other accounts into which expenditures enter will not equal the total expenditures of any period. In order to show the relation, respectively, of the totals of expense, stores and property appearing in the expenditures statement to the totals of these accounts for the same period, it is necessary to prepare a reconciliation statement, which sets forth the total expenditures and the total of each kind of other transactions that enter each of these accounts (see Chapter IV).

The appropriation columns of the budget forms are arranged to show the amounts authorized annually by city councils to meet the requirements of a department or bureau during the year. Deficiency appropriations to pay bills of a prior year should not be included along with annual and other appropriations for the year in which granted, but should be included with appropriations of the year in which the bills were contracted.

Expenditures are distributed in the year in which they are incurred, and if the liabilities are liquidated in a subsequent year, they are omitted from that year's expenditures as with appropriations above.

Annual and other appropriations, non-merging balances, etc., should be verified by comparison with the city controller's annual report or the records of that department before making up the final budget forms.

The estimated current requirements for a year approximate the estimated current expenditures of that year, but the estimated requirements for permanent improvements frequently in-

clude items that will not be spent until subsequent years, and as a result estimated requirements for permanent improvements and appropriations of loan funds differ very considerably from expenditures of loan funds in most years.

#### DESCRIPTION AND USE OF BUDGET FORMS

Nine forms have been provided for preparing the departmental estimates of expenditures for the budget as follows:

1. Recapitulations—General and Loan Funds.
2. Direct Expense and Miscellaneous.
3. Repairs and Net Stores Balances.
4. Replacements and Property Acquisitions.
5. Salary Supporting Schedule.
6. Department of Supplies—Recapitulation, General and Loan Funds.
7. Department of Supplies—Direct Cost of Service and Net Stores.
8. Department of Supplies—Repairs, Replacements and Property Acquisitions.
9. Special and Trust Funds.

The transactions of many of the departments are such that they will not use all of these forms. The purpose of the several forms is to set forth for ready comparison through the classifications upon them (1) expenditures of the last completed year; (2) appropriations of the current year; (3) actual and estimated expenditures of the current year, and (4) estimated requirements for the new year; by (1) organization unit, (2) function or activity, (3) character of expenditure, (4) object of expenditure, and (5) funds. Two of the nine forms are for recapitulation purposes.

Form No. 1 is for the recapitulations of the department's direct expenditures in the following arrangement:

- (a) By object of expenditure,
- (b) By character of expenditure, and
- (c) By function.

Form No. 2 is for direct expense and miscellaneous expenditures. Direct expense includes expenditures for administration, operation, fixed charges (including interest and State tax on the funded debt) and other expense. Miscellaneous expenditures includes all expenditures for principal of the funded debt, payments arising from the relation of agent, accounts receivable, current liabilities, abatement of expense, abatement of revenue and all other expenditures of a miscellaneous nature not included in any of the above. This form does not include expenditures relating to property.

Form No. 3 is for direct departmental expenditures for repairs to property and net changes in the stores balances. By net stores balances is meant the change of the balance of stores at the end of the year compared with the balance of stores at the beginning of the year. Stores includes all material and supplies carried in storehouse and postage and transportation carried in quantities and issued as needed.

Form No. 4 relates to direct departmental expenditures for property and includes all expenditures for replacements of worn-out property and the acquisition of property other than for replacements.

Form No. 5 shows the details of the expenditures for personal services for the whole budget and it contains the supporting items for salaries, wages, fees and other compensation for personal services.

Form No. 6 is for the recapitulations of expenditures of a department through the department of supplies.

Form No. 7 includes all expenditures for direct cost of service, i. e., administration, operation, other expense and other expenditures not relating to property made through the department of supplies.

Form No. 8 includes all expenditures for repairs and replacements of property and acquisitions of property other than for replacements through the department of supplies.

Form No. 9 is used for all expenditures and the recapitulations thereof relating to special and trust funds.

The forms for the annual departmental estimates are obtained about July 1st from the office of the city controller and must be completed and one copy in the hands of city councils and one copy in the hands of the city controller by the 15th of September. Three copies of forms 1, 2, 3, 4, 5 and 9 are made and four copies of forms 6 to 8, the extra copy being for the office use of the department of supplies. A separate sheet is used for each sub-division and each function or other unit to which appropriation is made by city councils. Departments or bureaus receiving appropriations through the department of supplies make use of forms 6, 7 and 8 for these expenditures. The "supplies estimate" is separately recapitulated on the proper form and sent to the department of supplies, which then recapitulates all of the supplies estimates and makes out the budget for that department, sending the recapitulated departmental estimates to the city controller and city councils in the regular way.

The columnar arrangement of all budget forms, except the salary schedule, is as follows:

**Column 1. Character and object of expenditure.** In this column under the correct heads and sub-heads enter such additional character and objects of expense as are not shown on this form.

**Column 2. 1915 Expenditures from the General Fund.**

**Column 3. 1915 Expenditures from Loan Funds.**

**Column 4. Total 1915 Expenditures.** This column is the sum of amounts in column 2 and amounts on the same line in column 3. The expenditures as shown in columns 2, 3 and 4 are to be in accordance with Schedules 18, 19 and 32 of the city controller's 1915 annual report, and are to be proven to the reconciliation statements on pages 100, 101 and 102. The 1915 departmental expenditure totals will be found on page 101 in "Totals" column. The sub-division of the departmental total countersignments into General Fund and Loan Funds will be found on page 102. The sub-division of the departmental expenditures into those relating to expenses, property acquisitions, etc., will be found on page 100 of the same report.

**Column 5. 1915 non-merging balances available from the General Fund in 1916.**

**Column 6. 1916 appropriations from the General Fund as authorized by Councils in the annual appropriations for 1916.**

**Column 7. Additional 1916 appropriations subsequent to the passage of the 1916 budget, including transfers.**

**Column 8. Total 1916 appropriations made from the General Fund.** This column is the sum of amounts in column 5 and amounts on the same line in columns 6 and 7.

**Column 9. 1915 non-merging balances available from Loan Funds in 1916.**

**Column 10. 1916 appropriations made from Loan Funds, including transfers.**

**Column 11. Total 1916 appropriations made from Loan Funds.** This column is the sum of amounts in column 9 and amounts on the same line in column 10.

**Column 12. Total 1916 appropriations made from both General Fund and Loan Funds.** This column is the sum of amounts in column 8 and amounts on the same line in column 11

**Column 13. Actual expenditures from January 1 to but not including September 1, 1916, chargeable to the General Fund.**

**Column 14. Actual expenditures from January 1 to but not including September 1, 1916, chargeable to Loan Funds.**

**Column 15. Total expenditures from January 1 to but not including September 1, 1916, chargeable to both General Fund and Loan Funds, including transfers.** This column is the sum of amounts in column 13 and amounts on the same line in column 14.

**Column 16. Estimated expenditures from September 1 to and including December 31, 1916, chargeable to General Fund.** In this column should be shown the total amount of money that it is estimated will be expended during the period between September 1 and December 31, 1916, from General Fund, and included amounts already appropriated to the department, and any additional amounts that will be needed for the proper exercise of its functions.

**Column 17. Estimated expenditures from September 1 to and including December 31, 1916, chargeable to Loan Funds.** In this column should be shown the total amount of money that it is estimated will be expended during the period between September 1 and December 31, 1916, from Loan Funds, and included amounts already appropriated to the department, and any additional amounts that will be needed for the proper exercise of its functions. No loan funds should be included excepting the estimated amount of loan funds to be actually expended during the four months' period.

**Column 18. Total estimated expenditures September 1 to and including December 31, 1916, from General and Loan Funds.**

**Column 19. Total actual and estimated expenditures for 1916 from General Fund and Loan Funds.** This column is the sum of amounts in column 15 and amounts on the same line in column 18.

**Column 20. Total request for 1917, covering appropriations from both General Fund and Loan Funds.**

**Column 21. Increase in 1917 request over 1916 expenditures.** This column is the result obtained by subtracting amounts in column 19 from amounts on the same line in column 20.

**Column 22. Decrease in 1917 request under 1916 expenditures.** This column is the result obtained by subtracting amounts in column 20 from amounts on the same line in column 19.

Upon the completion of these forms, the following recapitulations are to be made by each department or bureau:

- (a) *By object of expenditure.*
- (b) *By character of expenditure.*
- (c) *By functions.*

Three copies of each recapitulation are to be made out, one for city councils, one for the controller, and one for the department or bureau making out the estimate.

Form 5. The salary schedule has a different ruling from that of the other budget forms and consequently requires special treatment. More than one function may be placed upon each page of the salary schedule. As on the other forms the totals and the sub-totals are carried upward with the grand total to the top of each sheet. It is very important to observe the proper indentation of the titles at the left hand side of the salary schedule. The function total, which is placed immediately under the grand total, is indented one space. The object total is shown next below, indented two spaces. The list of positions then follows in regular order indented three spaces. In listing positions of all incumbents for which no change is requested the titles are indented three spaces and all new positions and those for which change is requested are indented four spaces as indicated by the instructions at the head of the column.

In the group of columns under the heading, "Schedule for 1915", enter on the same line with the title of position or group of positions the number of incumbents in that class, rate of pay and the amount provided according to the appropriation ordinances. The next group of columns come under the heading "Existing Schedule 1916", and includes the information for the current year placed opposite 1915 for comparative purposes. The amounts shown in these 1915 and 1916 columns will not necessarily agree with the amounts appearing on the other budget forms for personal services because those forms show expenditures, while the salary schedule shows the amount authorized but not always expended.

In the group of columns under the heading "Requested for 1917", the amounts required are entered opposite the proper titles. In the next four columns are shown the increases over and decreases under the current year. The column headed "Remarks" is for information regarding the changes in the salary schedule.

Upon completion of the salary schedule, the wage schedule is made out upon the same form in similar manner. In case the appropriation for wages is in lump sum and the number of incumbents not specified, no attempt should be made to estimate the number. The column for number of incumbents is left blank and rate and total amount filled in in the regular way and carried to the functional total.

Fees and other compensation for personal services should be entered on separate parts of salary schedule sheets in the same manner as described above for salaries.

#### EXPLANATION OF TERMS USED IN THE BUDGET

**Departments, Bureaus, Divisions:** The principal organization units of government are generally distinguished as Departments (example: Department of Health and Charities); the sub-divisions of a department, as bureaus (example: Bureau of Health); the sub-divisions of a bureau, as divisions (example: Division of Medical Inspection). Further sub-divisions are offices, stations or plants.

**Functions:** The activities of a governmental organization unit are its functions. The functions of the Bureau of Water, for example, are Pumping, Filtration, Distribution, etc. The functions of each department and bureau will be found in Chapter XIV.

**Character of Expenditure:** Government service with relation to production or non-production, current expense or property acquisitions, is termed character of expenditure. The classification is as follows:

**Administration Expense** is the cost of direction and control (including salaries, etc.), which is not directly distributable to operation, maintenance or property acquisitions. These expenses only apply to departments or offices which are wholly executive or administrative in their functions. Such offices are those of the mayor, the directors of the executive departments of the city, and many of the county offices.

**Operation Expense** is the ordinary current expense of the city government (including salaries and wages, services other than personal, materials, supplies, etc.), incident to the cost of conducting the current services performed by the city.

**Other Expense** is the cost incurred, if any, for expenses of a miscellaneous nature that are not chargeable to any of the specific expense headings named above.

**Debt Service** is the cost for interest and sinking fund payments, for the liquidation of funded debt and for state tax on city loans.

**Repairs** includes all expenditures for keeping structures, non-structural improvements and equipment in good operating condition throughout the entire period of the estimated life of any unit thereof. Expenditures for replacing minor parts that merely keep property in repair during the estimated life thereof and do not lengthen its estimated life are charged to Repairs.

**Replacements** includes all expenditures for replacing or renewing the whole or any important part of any structure, non-structural improvement or equipment and which extend its usual life beyond the average term of life property of that class.

**Net Changes in Stores Balances:** Only the net increases or net decreases in stores balances are to be shown under this heading—net increases in *black* figures—net decreases in *red* figures. For example, if at the beginning of 1915 a department had on hand in the storehouse \$20,000 of stores and at the close of the same year had on hand \$15,000, the decrease in stores, viz.: \$5,000, resulting from the year's operations, would appear in *red* figures in the general fund column and total column of the group coming under the head "1915 Expenditures." Similarly in the appropriation columns, any appropriation or portion thereof that is intended to increase the stores balance should be shown as a *black* figure under this caption; whereas if it is intended to realize upon a portion of the stores on hand at the beginning of the year a *red* figure representing such realization must be shown in place of the *black* figure. "Stores" includes postage and transportation on hand.

**Property Acquisitions** (other than replacements) are the expenditures for lands, structures and non-structural improvements to land and equipment (excluding all expenditures for properties and equipment that are in the nature of repairs or replacements).

**Accounts Receivable:** An expenditure for the benefit of another and for which reimbursement can be obtained.

**Current Liabilities:** An expenditure that liquidates a current liability incurred in a previous year.

**Abatement of Expense:** Those expenditures of an expense nature for which the city as a result of agreements with others is reimbursed should be entered opposite this heading.

**Abatement of Revenue:** An expenditure arising from the return of revenue that has been collected in error or for some other reason is returnable.

**Object of Expenditure:** The classification of expenditures by objects will be found in the object of expenditure classification issued by the city controller and effective April 1, 1914. It is also outlined in Chapter IV.

**Funds:** Separate columns have been provided on the various sheets for general fund expenditures and appropriations and for loan fund expenditures and appropriations. A separate form (page 186) has been provided for special and trust fund expenditures and appropriations.

**FORM 41—THE ACTUAL SIZE OF THE BUDGET FORM FOR**

**FORM 42—THE ACTUAL SIZE OF THE BUDGET FORM FOR DIRECT**







[illegible][illegible]

**BUDGET FORM No. 5**

TO BE TYPEWRITTEN IN TRIPLICATE AND TRANSMITTED TO CITY CONTROLLER BY SEPTEMBER 15, 1916

THIS SHEET IS No. \_\_\_\_\_ OF \_\_\_\_\_ SHEETS AND IS THE SCHEDULE SUPPORTING No. \_\_\_\_\_ OF SHEET No. \_\_\_\_\_ OF FUNCTION \_\_\_\_\_ OF DEPT., BUREAU, ETC. AS SHOWN ON OPPOSITE RIGHT HAND CORNER OF THIS SHEET

CITY OF PHILADELPHIA  
**SALARY SCHEDULE SUPPORTING ESTIMATES FOR 1917 BUDGET**

Date Prepared \_\_\_\_\_ Certified Correct \_\_\_\_\_

LINE NUMBER	FUNCTION OR ACTIVITY	SCHEDULE FOR 1916				EXISTING SCHEDULE 1916				REMARKS
		SPECIFIC OBJECT (Salaries, Wages, Fees, Etc.)								
		TITLE OF POSITION	No. of Positions	RATE	AMOUNT	No. of Positions	RATE	AMOUNT	No. of Positions	
1	GRAND TOTAL									
2										
3										
4										
5										
6										
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FORM 45—THE ACTUAL SIZE OF THE BUDGET

PHILADELPHIA  
**1917 SHEET FOR DEPARTMENTAL BUDGET**

ORGANIZATION \_\_\_\_\_ DEPT. OR BUREAU \_\_\_\_\_  
UNITS \_\_\_\_\_ DIVISION \_\_\_\_\_

Certified Correct \_\_\_\_\_ Approved \_\_\_\_\_

QUESTED FOR 1917

COMPARISON BETWEEN REQUEST FOR 1917 AND EXISTING SCHEDULE FOR 1916		INCREASE		DECREASE		REMARKS	LINE NUMBER
RATE	AMOUNT	RATE	AMOUNT	RATE	AMOUNT		
							1
							2
							3
							4
							5
							6
							7
							8
							9
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							41
							42

FORM FOR SALARY SCHEDULE IS 16 1/4" X 21 1/4"

[illegible]

**FORM 46—THE ACTUAL SIZE OF THE BUDGET FORM FOR RECAPITULATION**

[illegible]

OF GENERAL AND LOAN FUNDS—DEPARTMENT OF SUPPLIES—IS 19¼" X 25"

**BUDGET FORM No. 7**

TO BE TYPEWRITTEN IN QUADRULATE AND TRANSMITTED TO DEPARTMENT OF SUPPLIES BY SEPTEMBER 1, 1916

**DIRECT COST OF SERVICE AND NET STORES**  
**DEPT. OF SUPPLIES**

CITY OF PHILADELPHIA  
DEPARTMENTAL ESTIMATE FOR EXPENDITURES RELATING TO DIRECT COST OF SERVICE AND NET STORES

DATE PREPARED: \_\_\_\_\_ CERTIFIED CORRECT: \_\_\_\_\_

TO BE SUBMITTED TO THE COMMISSIONERS OF THE CITY OF PHILADELPHIA

LINE NO.	CHARACTER AND OBJECT OF EXPENDITURE	1916 EXPENDITURES			1916 APPROPRIATIONS					
		GENERAL FUND	LOAN FUND	TOTAL	1916 APPROPRIATION	GENERAL FUND	LOAN FUND	TOTAL	1916 APPROPRIATION	LOAN FUND
1	<b>TOTAL</b>									
2	<b>DIRECT COST OF SERVICE</b>									
3	TRANSPORTATION OF PERSONS									
4	TRANSPORTATION OF FREIGHT									
5	TRANSPORTATION AND SUPPLY OF PERSONS									
6	TRANSPORTATION AND SUPPLY OF PERSONS									
7	TRANSPORTATION AND SUPPLY OF PERSONS									
8	TRANSPORTATION AND SUPPLY OF PERSONS									
9	TRANSPORTATION AND SUPPLY OF PERSONS									
10	TRANSPORTATION AND SUPPLY OF PERSONS									
11	TRANSPORTATION AND SUPPLY OF PERSONS									
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97	TRANSPORTATION AND SUPPLY OF PERSONS									
98	TRANSPORTATION AND SUPPLY OF PERSONS									
99	TRANSPORTATION AND SUPPLY OF PERSONS									
100	TRANSPORTATION AND SUPPLY OF PERSONS									

FORM 47—THE ACTUAL SIZE OF THE BUDGET FORM FOR DIRECT COST

PHILADELPHIA

STATE FOR 1917 BUDGET

CT COST OF SERVICE AND NET STORES

THIS SHEET IS NO. \_\_\_\_\_ OF \_\_\_\_\_ SHEETS

ORGANIZATION \_\_\_\_\_ DEPT. OR BUREAU \_\_\_\_\_

UNITS \_\_\_\_\_ DIVISION \_\_\_\_\_

FUNCTION (OR ACTIVITY) \_\_\_\_\_

CERTIFIED CORRECT: \_\_\_\_\_ APPROVED: \_\_\_\_\_

TO BE SUBMITTED TO THE COMMISSIONERS OF THE CITY OF PHILADELPHIA

LINE NO.	TOTAL GENERAL AND LOAN FUNDS	1916 EXPENDITURES ACTUAL AND ESTIMATED			1917 REQUESTED FOR 1917			INCREASE OVER 1916 EXPENDITURES	DECREASE UNDER 1916 EXPENDITURES
		ACTUAL TO SEPTEMBER 30	ESTIMATED SEPT. 1ST TO DEC. 31ST	TOTAL ACTUAL AND ESTIMATED	TOTAL	INCREASE OVER 1916 EXPENDITURES	DECREASE UNDER 1916 EXPENDITURES		
1									
2									
3									
4									
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11									
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FORM 48—THE ACTUAL SIZE OF THE BUDGET FORM FOR REPAIRS, REPLACEMENTS

AND PROPERTY ACQUISITIONS—DEPARTMENT OF SUPPLIES IS 19¼" X 25"

FORM 49—THE ACTUAL SIZE OF THE BUDGET FORM FOR SPECIAL AND TRUST FUNDS IS 19¼" X 15½"

## INVENTORIES AND TRANSFERS OF PROPERTY

AN inventory with cost values of all physical property belonging to the city and entrusted to the care of departments, bureaus and offices is to be prepared by each as often as need be to verify the accuracy of book records of property and to ascertain that all property, with which each department is charged, is in its possession.

Inventories of stores are to be taken as of September 30th and December 31st of each year unless otherwise ordered; and inventories of land, structures, non-structural improvements and equipment at such times as called for by the city controller. No particular form has been designed upon which to prepare the stores inventory. Most purposes will be served by having a list of articles showing quantities and values at cost listed with their code numbers according to objects of expenditure.

Inventories of property are to be taken upon specially designed forms (see Forms 49, 50, 51, 52), and the instructions included in this chapter and sent with the forms should be very closely followed. Each kind of equipment and stores should be listed separately. Where there are a number of exactly similar articles, state as "flat top oak desks—48" x 60'" and then show the number in the quantity column. The inventory information for the forms should be made up on working papers as of the close of business of the date of taking the inventory. *Do not use* the printed forms as working papers, but make the inventory up first on rough sheets or analysis paper. Nineteen-column yellow analysis paper will be found convenient for working paper. When entirely completed and ready to be forwarded to the department of city controller and not until it has received the final approval of the bureau chief and the department head as to form and content, copy with the typewriter upon the printed forms in duplicate, forward one copy to the department of city controller at the earliest possible date and file remaining copy for future reference.

Do not report anything listed under "A," "B," "C" or "D" of the *Object of Expenditure Classification for the City and County of Philadelphia*. If any personal services, "A"; services other than personal, "B"; materials, "C"; or supplies, "D" have been used in acquiring property, classify them on the inventory according to the nature of the property that has been acquired therewith.

List similar property together, classified, however, as to function or activity (see explanation of Form 49, column 3, below), and as to similarity of annual reserve for depreciation and annual reserve for repairs. Follow the same rule for all main sub-divisions. Except in departments and bureaus having very little property to report, it will usually be found advantageous to begin a new sheet for each of the main classes of the property code. The main class should be stated on line "Kind of Property (land, structures and other improvements—main class)," and all property of this kind should be listed below under the functions for which it is used. The sub-classes are the various items of property mentioned under the heading. Where only a few lines of a sheet are used by a main class put several main classes on the one sheet. Where

\*For a comprehensive statement of what is included under property (land, structures, other improvements and equipment) see sections "E", "F" and "G" of the *Object of Expenditure Classification for the City and County of Philadelphia*.



FORM 49—THE ACTUAL SIZE OF THE BUDGET FORM FOR SPECIAL AND TRUST FUNDS IS 19¼" X 15½"

## INVENTORIES AND TRANSFERS OF PROPERTY

AN inventory with cost values of all physical property belonging to the city and entrusted to the care of departments, bureaus and offices is to be prepared by each as often as need be to verify the accuracy of book records of property and to ascertain that all property, with which each department is charged, is in its possession.

Inventories of stores are to be taken as of September 30th and December 31st of each year unless otherwise ordered; and inventories of land, structures, non-structural improvements and equipment at such times as called for by the city controller. No particular form has been designed upon which to prepare the stores inventory. Most purposes will be served by having a list of articles showing quantities and values at cost listed with their code numbers according to objects of expenditure.

Inventories of property are to be taken upon specially designed forms (see Forms 49, 50, 51, 52), and the instructions included in this chapter and sent with the forms should be very closely followed. Each kind of equipment and stores should be listed separately. Where there are a number of exactly similar articles, state as "flat top oak desks—48" x 60'" and then show the number in the quantity column. The inventory information for the forms should be made up on working papers as of the close of business of the date of taking the inventory. *Do not use the printed forms as working papers, but make the inventory up first on rough sheets or analysis paper. Nineteen-column yellow analysis paper will be found convenient for working paper.* When entirely completed and ready to be forwarded to the department of city controller and not until it has received the final approval of the bureau chief and the department head as to form and content, copy with the typewriter upon the printed forms in duplicate, forward one copy to the department of city controller at the earliest possible date and file remaining copy for future reference.

Do not report anything listed under "A," "B," "C" or "D" of the *Object of Expenditure Classification for the City and County of Philadelphia*. If any personal services, "A"; services other than personal, "B"; materials, "C"; or supplies, "D" have been used in acquiring property, classify them on the inventory according to the nature of the property that has been acquired therewith.

List similar property together, classified, however, as to function or activity (see explanation of Form 49, column 3, below), and as to similarity of annual reserve for depreciation and annual reserve for repairs. Follow the same rule for all main sub-divisions. Except in departments and bureaus having very little property to report, it will usually be found advantageous to begin a new sheet for each of the main classes of the property code. The main class should be stated on line "Kind of Property (land, structures and other improvements—main class)," and all property of this kind should be listed below under the functions for which it is used. The sub-classes are the various items of property mentioned under the heading. Where only a few lines of a sheet are used by a main class put several main classes on the one sheet. Where

\*For a comprehensive statement of what is included under property (land, structures, other improvements and equipment) see sections "E", "F" and "G" of the *Object of Expenditure Classification for the City and County of Philadelphia*.

there is a great deal of property falling within a main class, as many sheets as are necessary to list all the items should be used. The sub-classes and the sub-divisions of the sub-classes as well as the specific properties are to be shown in column 3.

Each property should be listed separately and where there have been additions to original buildings or structures, each of the several additions should be shown on separate lines.

The main class should be placed on line "Kind of Equipment—Main Class" and all equipment (sub-classes) of this kind should be listed below under the proper functions. Where only a few lines are used by a main class put several main classes on one sheet. By main classes of equipment is meant the classes to and including the first number following the letter "E" of the object of expenditure classification, as "E1000", "E2000", "E3000", etc. The sub-classes are the various items of equipment mentioned under the main headings in class "E" of the property code and are represented by the second, third and fourth numbers of the "E" classification.

#### RESERVES FOR DEPRECIATION AND REPAIRS

Depreciation of property is the loss of value constantly occurring which cannot be offset by repairs. It is only offset by the acquisition of new property or parts to replace the worn-out or obsolescent property.

In the general ledger the amount of depreciation accruing to a certain period is charged to expense account and credited to the "reserve for depreciation." This method distributes the depreciation equitably over the life of the property. In order to distribute equitably in each accounting period the cost of repairs to property, the amount of repairs which accrues to the period is charged to expense and credited to an account called "reserve for repairs." Expenditures for repairs (maintenance) are then charged to the reserve for repairs as they are made.

Were depreciation and reserve for repairs ignored, expense account would be heavily burdened in some period by the heavy depreciation of property and the expenditures for repairs and in other periods they would be only lightly charged with depreciation and expenditures and there would be very confusing fluctuations in these accounts.

Provision has been made on the inventory of property forms for showing the summaries of depreciation by classes of property where the rate of depreciation is the same for all property falling in a main class group and by sub-classes where the rate of depreciation varies with different sub-classes in the same main class. Depreciation is to be figured by classes of property and *not* by individual pieces of property and the property is to be grouped in the various classes according to its rates of depreciation. Similarly, the rates of repairs will be worked out and shown on the forms by main and sub-classes.

As the obtaining of the depreciation and repair data is a very essential part of the work of municipal accounting, accuracy and care in working out the details are extremely important.

For the procedure in connection with the registers and schedules of depreciation and reserve for repairs, see Chapter VI, and for the detail ledger, Chapter VII.

#### INVENTORY OF LAND, STRUCTURES AND OTHER IMPROVEMENTS—FORM 50

FORM No. 50 should be used in taking inventory at cost of all lands, structures and other improvements belonging to the city.

The cost of apparatus or fixtures installed in any building or other structure and attached thereto, after construction, should not be confused in any way with the cost of the building or structure, and should be listed separately on the line below that containing the description of the building or structures. These include street lamps, railroad tracks, memorial tablets, fences, flag poles, etc.

Do NOT report on this Form: Movable equipment, such as office furniture, vehicles, or any fixtures or equipment specified to be placed on Inventory Form No. 51 (described on the succeeding pages).

The explanation of the use of the columns follows:

**Column 1. Line Number.** This column provides a number for each line so that easy reference may be had to the form.

**Column 2. Property Code Designation.** To find the code letter and number designation of any piece of property reference should be had to the object of expenditure classification. Reference should also be had to the schedule of properties and equipment in the annual report of the city controller. The code numbers should be placed only on the lines with the individual pieces of property in the sub-class.

**Column 3. Function or Activity and Property.** In this column should be shown the function for which the property reported is used and the property itself, classified in accordance with the property code, should be listed immediately below. This arrangement is similar to that pursued for the budget estimate sheets. For the functions see Chapter XIV. In listing the property under each function, it is desirable to include a brief description, as "Ninth District Police Station (brick, 3-story)," "Passyunk avenue bridge (cantilever steel draw)," and if the property has not a distinct name insert some such designation as "Fairmount Park (sodding)" for an improvement of this nature. Care should be taken that each piece of property is listed individually and on a separate line. If the information called for by any of the columns cannot be placed on the one line within the column the next one should be used also. To avoid confusion care should be taken to begin the next entry on a clear line and omit a line between the classes.

**Column 4. Location of Property.** In this column should be entered the ward in which the property is located and the street and house number of the property where possible to do so. In the absence of a number enter the surveyors' description of the property for easy identification.

**Column 5. Size of Lot.** In this column should be shown the actual size of the lot of land that comprises each property. If the property is in the customary rectangular shape, the breadth and length should be sufficient, as 25' x 122' 6". If the property is irregular each dimension should be given. The records of the registrar of city plans in the Bureau of Surveys, Rooms 510-516, City Hall, should be the authority upon all matters pertaining to the accurate and complete description of real property.

**Columns 6, 7 and 8. Cost of Building or other Structural Improvement, Cost of Land, and Total Cost.** Give in these columns the cost of property constructed for or by the city, purchased by the city, or acquired by gift. If buildings or other structures or non-structural improvements to the land have been built for or by the city, the actual cost thereof, or the value if acquired by gift, should be shown in column 6. If the land upon which such buildings or other structures have been erected has been purchased its cost should be shown in column 7, or, if the land has been acquired by gift, its present value should be shown in this column. Where land with improvements upon it has been purchased or otherwise acquired by the city, separate upon an estimated basis the cost value of the land from the cost value of the improvements.

The total cost of land and structures or non-structural improvements (or value if acquired by gift) should be shown in column 8.

**Column 9. Date of Construction.** This column provides for inserting the year of construction of a building or other structure or non-structural improvement. If acquired by purchase or gift, give date of construction if obtainable.

**Column 10. Number of years from Construction.** Enter the elapsed life of the property in years in this column to the end of the last fiscal year.

**Column 11. Probable Life of Structure (or other improvement) in Years from Date of Construction.** In this column should be entered the estimated total life of the property in years. In making the entries in this column it is desirable to have the advice of the city engineers and surveyors, as under column 5 above.

**Column 12. Accumulated Estimated Reserve for Depreciation.** In this column should be shown the accumulated estimated reserve for depreciation at end of the last fiscal year in the cost value of the improvements. The information for this column is to be obtained by taking the cost of buildings or other structural or non-structural improvements, column 6, and multiplying by the number of years since construction, as shown in column 10, and dividing the result by the estimated probable total life of the structure, as shown in column 11. This gives, as of end of the last fiscal year, the accumulated estimated reserve for depreciation. For example, assume the cost of improvements (column 6) to be \$60,000. Multiply by the number of years since construction (column 10), which we will assume to be five years, gives \$300,000. Divide by the probable life of the structure in years (column 11), which we will assume to be fifty years, gives \$6,000 as the accumulate estimated reserve for depreciation as of end of the last fiscal year, and this amount should be placed in column 12.

**Column 13. Memoranda.** This column may be used by departments for any memoranda they may wish to make.

**Column 14. Line Number.** For easy reference.

**Columns 15 and 16. Class of Property—Code Designation—Total Cost Value of Improvements in each Class on this sheet (Column 6).** If all the improvements in a main class group have the same rate of depreciation, the main class property code designation should be entered in column 15 and the total cost value of the improvements, as shown by column 6, should be entered in column 16. Where the specific pieces of property in any main class are sufficiently numerous to fill, or nearly fill, a sheet, the entire sheet should be devoted to the listing of property belonging to that main class. Where only a few lines are necessary to the listing of all the property in the custody of any department or bureau belonging to any one main class, two or more main classes of property may be placed on the same sheet.

**Column 17. Estimated Yearly Percentage of Depreciation.** To obtain this percentage, take the age of the sub-class, as shown in column 11 (all property in the same sub-class should have the same estimated life or, if the estimated life varies in the same sub-class, separate groups within the sub-class should be made accordingly) and divide into 100. The result will be the yearly percentage of capital depreciation.

**Column 18. Yearly Increase in (credit to) Depreciation.** Multiply the cost value of improvements (column 16) by the estimated yearly percentage of depreciation (column 17) and place the result in column 18.

**Columns 19 and 20. Estimated Yearly Percentage of Repairs and Yearly Reserve Required for Repairs.** Estimate as closely as possible the amount required annually for repairs for all the property in the sub-class and place this amount in column 20. Determine what percentage of the cost (column 16) this estimated annual amount is and show the percentage in column 19. If the estimate of annual requirements for repairs is found by subsequent experience to be accurate, the percentage figure may be used in subsequent years. If experience shows that the percentage figure requires adjustment, such changes should be made only, however, after conference with the city controller. A fund of experience will be rapidly accumulated by the various departments and bureaus on this subject. The interchange of these experiences will make possible the rapid development of highly accurate percentages for depreciation and reserves for repairs for all of the many kinds of buildings, other structures and non-structural improvements of the city and county.

# INVENTORY OF EQUIPMENT (INCLUDING LIVE STOCK)—FORM 51

FORM No. 51 should be used in taking inventory at cost of all equipment belonging to the city.

Do NOT report on Form No. 51:

Land,  
Structures or structural improvements,  
Non-structural improvements.

Articles which through use are consumed, such as materials or supplies, whether purchased for immediate use or taken into stores for future use.

Do NOT report articles of equipment that are carried in the storehouse and consequently are not in use. Any such equipment is to be treated as stores and not as equipment until it is issued for use.

The explanation of the use of the columns follows:

**Column 1. Line Number.** This column provides a number for each line for the purpose of easy reference.

**Column 2. Property Code Designation of Article.** This refers to the code letter and numbers as shown under "E—Equipment" of the object of expenditure classification. Reference should also be had to the schedule of properties and equipment in the annual report of the city controller. The code numbers should be placed only on the lines with the individual pieces of property in the sub-class.

**Column 3. Function or Activity—Equipment (Sub-class).** In listing equipment upon the inventory sheets it is to be grouped by functions according to its use, so that the cost value of the city's investment in equipment for the performance of each function may be known. Enter upon line 1 of each sheet the function for which the equipment to be listed thereunder has been acquired. For the functions of a department or bureau see Chapter XIV. Complete the list of equipment applicable to function No. 1 before starting to list equipment applicable to function No. 2. In listing equipment under each function it is desirable to include a brief description in each case as "bay horse", "runabout carriage", "Indian motor cycle", "flat top steel desks", etc. Care should be taken that each piece of equipment is listed individually, except where there are two or more exactly similar articles. In such cases the number of exactly similar articles should be shown in column 4, the price paid for each article in column 5, and the total price paid in column 6.

If the information called for by any of the columns cannot be placed on one line within the column, the next should be used also. To avoid confusion care should be taken to begin the next entry on a clear line, and omit a line between the classes.

**Columns 4, 5 and 6.** For explanation see under column 3.

**Column 7. Present Condition of Article; New (N); Good (G); Poor (P).** In this column show by indicating the letter the present condition of the piece of equipment in accordance with the best technical opinion of the department or bureau as to whether it is practically new and in excellent condition (N); in good condition (G); or in poor condition (P).

**Column 8. Date of Purchase or Acquisition.** In this column should be shown the year of purchase or acquisition.

**Column 9. Elapsed Life of Article in Years.** In this column state the number of years that have elapsed from purchase or acquisition of the equipment to end of last fiscal year.

**Column 10. Probable Total Life of the Article in Years.** In this column should be shown on the best technical advice available in the department or bureau the probable useful life of the equipment in years.

**Column 11. Accumulated Estimated Reserve for Depreciation.** In this column should be shown the accumulated estimated reserve for depreciation in the cost value of the equipment. The figures for this column are to be obtained by taking the total value of article or articles at cost, as shown in column 6, and multiplying by the elapsed life of the article in years, as shown in column 9, and dividing the result by the estimated probable total life of the article, as shown in column 10. For example, assume the total value (column 6) to be \$6,000; the elapsed life (column 9) to be five years; the probable total life (column 10) to be 12 years; we then have  $\$6,000 \times 5 \div 12 = \$2,500$ . This result is the accumulated reserve required for depreciation as of the end of the last fiscal year, and should be placed in column 11.

**Column 12. Memoranda.** This column may be used by departments and bureaus for any memoranda they may wish to make.

**Column 13. Line Number.** For easy reference.

**Columns 14 and 15. Class of Equipment—Code Designation—Total Cost value of equipment owned in each class on this sheet (column 6).** If all the equipment in a main class group has the same rate of depreciation, the main class property code designation should be entered in column 14 and the total cost value of equipment in the class, as shown by column 6, should be entered in column 15. Where the specific pieces of equipment in any main class are sufficiently numerous to fill, or nearly fill, a sheet, the entire sheet should be devoted to the listing of equipment belonging to that main class. Where only a few lines are necessary to the listing of all the equipment in the custody of any department or bureau belonging to any one main class, two or more main classes of equipment may be placed on the same sheet.

**Column 16. Estimated Yearly Percentage of Depreciation.** To obtain this percentage, take the probable total life of the sub-class, as shown in column 10 (all equipment in the same sub-class should have the same estimated life, or, if the estimated life varies in the same sub-class, separate groups within the sub-class should be made accordingly) and divide into 100. The result will be the yearly percentage of depreciation.

**Column 17. Yearly Increase in (credit to) Depreciation.** Multiply the cost value of equipment (column 15), by the estimated yearly percentage of depreciation (column 16) and place result in column 17.

**Columns 18 and 19. Estimated Yearly Percentage of Repairs and Yearly Reserve Required for Repairs.** Estimate as closely as possible the amount required annually for repairs for all the property in the sub-class and place this amount in column 19. Determine what percentage of the cost (column 15) this estimated annual amount is and show the percentage in column 18. If the estimate of annual requirements for repairs is found by subsequent experience to be accurate, the percentage figure may be used in subsequent years. If experience shows that any percentage figure requires adjustment such changes should be made.

#### TRANSFERS OF PROPERTY

In order that a strict accountability of property may be maintained, two forms are prescribed upon which is to be recorded the transfer of all property belonging to the city from the custodianship of the outgoing official to the incoming official; one form is for recording the transfer of equipment (including live stock); and a second form is for the transfer of stores.

#### RECORD OF TRANSFER OF EQUIPMENT (INCLUDING LIVE STOCK)—FORM 52

Form No. 52 is to be used in making up the record of transfers of equipment from the custody of one official to another.

The record should be made up as of the close of business of the day previous to the transfer,

typewritten in triplicate, one copy forwarded to the department of city controller, one copy given to the retiring official and one copy given to the incoming official.

For a comprehensive statement of what is included in equipment see division "E" of the object of expenditure classification. Class "E" will be used exclusively in making up the record for Form No. 52.

Follow the above referred to classification as closely as possible in listing equipment.

Do NOT report on Form No. 52:

Land,

Structures or structural improvements,

Non-structural improvements.

Articles which through use are consumed, such as materials or supplies, whether purchased for immediate use or taken into stores for future use.

Do NOT report articles of equipment that are carried in the storehouse and consequently are not in use. Any such equipment is to be treated as stores and not as equipment until it is issued for use. Stores will be reported on Form No. 52.

The explanation of the use of the columns follows:

**Column 1. Line Number.** This column provides a number for each line for the purpose of easy reference.

**Column 2. Property Code Designation of Article.** This refers to the code letter and numbers as shown under "E—Equipment" of the object of expenditure classification, referred to above, and the schedule number, showing properties acquired in the annual report of the city controller. The code numbers should be placed only on the lines with the individual pieces of property in the sub-class.

**Column 3. Function or Activity—Equipment (Sub-class).** In listing equipment upon the record sheets it is to be grouped by functions according to its use, so that the cost value of the city's investment in equipment for the performance of each function may be known. Enter upon line 1 of each sheet the function for which the equipment to be listed thereunder has been acquired. For the functions of a department or bureau see Chapter XIV. Complete the list of equipment applicable to function No. 1 before starting to list equipment applicable to function No. 2. In listing equipment under each function it is desirable to include a brief description in each case as "bay horse", "runabout carriage", "Indian motor cycle", "flat top steel desks", etc. Care should be taken that each piece of equipment is listed individually, except where there are two or more exactly similar articles. In such cases the number of exactly similar articles should be shown in column 4, the price paid for each article in column 5, and the total price paid in column 6.

If the information called for by any of the columns cannot be placed on one line within the column, the next should be used also. To avoid confusion care should be taken to begin the next entry on a clear line, and omit a line between the classes.

**Column 4, 5 and 6.** For explanation see under column 3.

**Column 7. Present Condition of Article; New (N); Good (G); Poor (P).** In this column show by indicating the letter the present condition of the piece of equipment in accordance with the best technical opinion of the department or bureau as to whether it is practically new and in excellent condition (N); in good condition (G); or in poor condition (P).

At the bottom of this form, space is provided for the certificates of the employees preparing and verifying the record of transfer of equipment and of the retiring and incoming officials.



## RECORD OF TRANSFER OF STORES—FORM 53

Form No. 53 is to be used in making up the record of transfer of stores from the custody of one official to another.

The record should be made up as of the close of business of the day previous to the transfer, typewritten in triplicate, one copy forwarded to the department of city controller, one copy given to the retiring official and one copy given to the incoming official.

Include all articles carried in storehouses, supplies, materials, etc., and any equipment taken into stores for future delivery.

Do NOT report on Form No. 53:

Land,

Structures and non-structural improvements.

Equipment (not in store houses).

Do NOT report anything under "A" or "B" of the object of expenditure classification. If any personal services, "A"; services other than personal, "B", have been expended in the acquisition of stores classify them according to the nature of the equipment thus acquired.

The explanation of the use of the columns follows:

**Column 1. Line Number.** This column provides a number for each line for the purpose of easy reference.

**Column 2. Stores Code Designation of Article.** This refers to the code letter and numbers as shown under "C" materials, "D" supplies, and "E" equipment (in stores) of the object of expenditure classification.

**Column 3. Name of Article.**

**Column 4. Quantity, Number of Articles, Weight or Measure.**

**Column 5. Unit Cost.**

**Column 6. Total Value (At Cost).**

**Column 7. Memoranda.** This column may be used for checking and other memoranda.

At the bottom of this form space is provided for the certificates of the employees preparing and verifying the record of transfer of stores and of the retiring and incoming officials.

INVENTORY FORM NO. 53 TO BE TYPEWRITTEN IN TRIPPLICATE AND ONE COPY FORWARDED TO THE DEPARTMENT OF CITY CONTROLLER BEFORE THE CITY FALLS BEFORE OCT. 1, 1914		THIS IS SHEET NO. _____ OF _____ SHEETS					
CITY OF PHILADELPHIA INVENTORY OF EQUIPMENT TAKEN AS OF THE CLOSE OF BUSINESS, MARCH 31, 1914		CITY OF PHILADELPHIA INVENTORY OF LAND, STRUCTURES AND OTHER IMPROVEMENTS TAKEN AS OF THE CLOSE OF BUSINESS, MARCH 31, 1914					
DEPARTMENT _____		DEPARTMENT _____					
BUREAU _____		BUREAU _____					
LOCATION OF BUILDING AND NUMBER OF ROOM CONTAINING ARTICLES DESCRIBED ON THIS SHEET		LOCATION OF PROPERTY DESCRIBED ON THIS SHEET					
KIND OF EQUIPMENT		KIND OF PROPERTY					
FUNCTION OR ACTIVITY OF EQUIPMENT—DESIGNATED MATERIAL, QUANTITY, UNIT, VALUE, AND TOTAL VALUE		FUNCTION OR ACTIVITY OF PROPERTY—DESIGNATED MATERIAL, QUANTITY, UNIT, VALUE, AND TOTAL VALUE					
LINE NO.	STORES CODE DESIGNATION OF ARTICLE	NAME OF ARTICLE	QUANTITY	UNIT	VALUE	TOTAL VALUE	MEMORANDA
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
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21							
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23							
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28							
29							
30							

NOTE—SEE INSTRUCTIONS AND DIRECTIONS ON REVERSE SIDE

INVENTORY FORM No. 3

CITY OF PHILADELPHIA

THIS IS SHEET No. \_\_\_\_ OF \_\_\_\_ SHEETS

TO BE TYPEWRITTEN IN TRIPPLICATE AND ONE COPY BE  
TURNED TO DEPARTMENT OF CITY CONTROLLER, ROOM  
146, CITY HALL, ONE COPY FOR THE IN-  
COMING OFFICIAL AND ONE COPY TO BE  
RETAINED BY THE RETIRING OFFICIAL

**RECORD OF TRANSFER OF EQUIPMENT**

FROM RETIRING TO INCOMING OFFICIAL AS OF THE CLOSE OF BUSINESS, 19\_\_

DEPARTMENT \_\_\_\_\_ LOCATION OF BUILDING AND NUMBER OF ROOM CONTAINING ARTICLES DESCRIBED  
ON THIS SHEET

BUREAU \_\_\_\_\_ KIND OF EQUIPMENT \_\_\_\_\_ EQUIPMENT  
CODE  
DESIGNATION (MAIN CLASS)

LINE NO.	PROPERTY CODE DESIGNA- TION OF ARTICLE	FUNCTION OR ACTIVITY SEE DEPARTMENTAL LIST OF FUNCTIONS—CITY CONTROLLER'S BUDGET STATEMENT, 19__ EQUIPMENT—SUB CLASS SEE OBJECT OF EXPENDITURE CLASSIFICATION—"E"	QUANTITY	UNIT VALUE (AT COST)	TOTAL VALUE (AT COST)	PRESENT CONDITION OF ARTICLE HOW IN- SOUND (S) POOR (P)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
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24						
25						
26						
27						
28						
29						
30						
31						
32						
33						
34						
35						

CERTIFIED CORRECT: \_\_\_\_\_

CERTIFIED CORRECT: \_\_\_\_\_

I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE  
AND BELIEF, THE ABOVE RECORDS HAVE BEEN PREPARED BY ME  
AND THAT THE ARTICLES ARE IN THE CUSTODY OF THE CITY AND COUNTY OF PHILADELPHIA  
IN THE CUSTODY OF THE RETIRING OFFICIAL AS OF THE CLOSE OF BUSINESS, 19\_\_

APPROVED: \_\_\_\_\_

CHIEF OF BUREAU \_\_\_\_\_ HEAD OF DEPARTMENT \_\_\_\_\_

**CERTIFICATES OF RECEIPT OF EQUIPMENT**

WE CERTIFY THAT WE HAVE VERIFIED THIS RECORD AND FIND IT TO BE A TRUE AND CORRECT STATE-  
MENT OF THE EQUIPMENT IN THE CUSTODY OF THE DEPARTMENT AND BUREAU NAMED HEREON AT  
THIS DATE.

I CONSENT TO THE RECEIPT OF THE EQUIPMENT AS STATED  
HEREON.

APPROVED: \_\_\_\_\_

CHIEF OF BUREAU \_\_\_\_\_ HEAD OF DEPARTMENT \_\_\_\_\_

FORM 52—THE ACTUAL SIZE OF THE FORM FOR TRANSFER OF EQUIPMENT IS 17" X 14"

NOTE—SEE INSTRUCTIONS AND DIRECTIONS ON REVERSE SIDE

INVENTORY FORM No. 4

CITY OF PHILADELPHIA

THIS IS SHEET No. \_\_\_\_ OF \_\_\_\_ SHEETS

TO BE TYPEWRITTEN IN TRIPPLICATE AND ONE COPY BE  
TURNED TO DEPARTMENT OF CITY CONTROLLER, ROOM  
146, CITY HALL, ONE COPY FOR THE IN-  
COMING OFFICIAL AND ONE COPY TO BE  
RETAINED BY THE RETIRING OFFICIAL

**RECORD OF TRANSFER OF STORES**

FROM RETIRING TO INCOMING OFFICIAL AS OF THE CLOSE OF BUSINESS, 19\_\_

DEPARTMENT \_\_\_\_\_ LOCATION OF BUILDING AND NUMBER OF ROOM CONTAINING ARTICLES DESCRIBED  
ON THIS SHEET

BUREAU \_\_\_\_\_ OBJECT  
CODE  
DESIGNATION (MAIN CLASS)

LINE NO.	STORES CODE DESIGNA- TION OF ARTICLE	NAME OF ARTICLE SEE OBJECT OF EXPENDITURE CLASSIFICATION—"C," "D" AND "E"	QUANTITY	UNIT VALUE (AT COST)	TOTAL VALUE (AT COST)	REMARKS OR EXPLANATION COLUMN
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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34						
35						

CERTIFIED CORRECT: \_\_\_\_\_

CERTIFIED CORRECT: \_\_\_\_\_

I HEREBY CERTIFY THAT, TO THE BEST OF MY KNOWLEDGE  
AND BELIEF, THE ABOVE RECORDS HAVE BEEN PREPARED BY ME  
AND THAT THE ARTICLES ARE IN THE CUSTODY OF THE CITY AND COUNTY OF PHILADELPHIA  
IN THE CUSTODY OF THE RETIRING OFFICIAL AS OF THE CLOSE OF BUSINESS, 19\_\_

APPROVED: \_\_\_\_\_

CHIEF OF BUREAU \_\_\_\_\_ HEAD OF DEPARTMENT \_\_\_\_\_

**CERTIFICATES OF RECEIPT OF STORES**

WE CERTIFY THAT WE HAVE VERIFIED THIS RECORD AND FIND IT TO BE A TRUE AND CORRECT STATE-  
MENT OF THE STORES IN THE CUSTODY OF THE DEPARTMENT AND BUREAU NAMED HEREON AT  
THIS DATE.

I CONSENT TO THE RECEIPT OF THE STORES AS STATED  
HEREON.

APPROVED: \_\_\_\_\_

CHIEF OF BUREAU \_\_\_\_\_ HEAD OF DEPARTMENT \_\_\_\_\_

FORM 53—THE ACTUAL SIZE OF THE FORM FOR TRANSFER OF STORES IS 17" X 14"



## CHAPTER XIV

### ORGANIZATION UNITS, FUNCTIONS AND ACTIVITIES

The purpose of city and county government is to perform the functions delegated by the constitution and laws of the state to county and municipal officers in an effective, efficient and economical manner. One of the best aids to efficient administration is a comparative statement of expenses incurred so classified that the cost of administration and operation may be determined in terms of objects of expense for each function or activity of a department or bureau. Such information is also of great value to the appropriating bodies in passing upon questions of financial policy.

In addition to classifying expenses incurred by function or activity, it is desirable to classify property and equipment in a similar manner in order that statements of property owned, acquired and disposed of may show the purpose for which the property was acquired. It thus becomes possible for the legislative body and for administrative officials to know the capital investment of the city and county for performing each of its functions. They are then in a position to consider most intelligently those portions of budgetary requests that have to do with estimates for additional property and equipment for the performance of a particular function as well as estimates for repairs and replacements of city property. The organization units and functions of the city and county of Philadelphia follow:

#### ORGANIZATION UNITS, FUNCTIONS AND ACTIVITIES OF THE CITY AND COUNTY OF PHILADELPHIA

01. CLERKS OF COUNCILS
  1. Legislative enactments.
02. DEPARTMENT OF MAYOR
  021. Executive office of Mayor.
    1. Executive.
    2. General welfare coöperation.
  022. Free library.
    1. Providing reading matter for the public.
  023. Commercial museums.
    1. Providing commercial exhibits for the public.
03. DEPARTMENT OF CITY CONTROLLER
  1. Executive.
  2. Accounting and reporting.
  3. Auditing receipts.
  4. Auditing expenditures.
  5. Administering municipal pension fund.
04. DEPARTMENT OF CITY TREASURER
  1. Receipt, custody and disbursement of public funds.
  2. Debt service.
  3. Payment of mandamuses.
  4. Parkways.
  5. Pensions.
05. BOARD OF REVISION OF TAXES
  1. Assessment of real and personal property.

(Continued)

06. DEPARTMENT OF RECEIVER OF TAXES
  1. Executive.
  2. Collection of real estate taxes for current year.
  3. Collection of personal taxes and miscellaneous items.
  4. Collection of delinquent taxes.
  5. Collection of water rents.
  6. Issuing certificates of tax and water searches.
  7. Branch office collection of city taxes and water rents.
07. DEPARTMENT OF LAW
  1. Legal advice and representation.
08. DEPARTMENT OF SUPPLIES
  1. Purchase of supplies, materials and equipment for city departments.
09. CIVIL SERVICE COMMISSION
  1. Executive.
  2. Classification and examination of applicants for municipal employment.
  3. Certification and recording of eligibles for municipal employment.
10. DEPARTMENT OF CITY COMMISSIONERS
  1. Executive.
  2. Assessment and registration of voters.
  3. Holding primary elections.
  4. Holding general and special elections.
  5. Administrative work of Municipal Court.
  6. Administrative work of Magistrates' Court.
  7. Administrative work of State and county courts.
  8. Assessment of land damages.
  9. Inspection of weights and measures.
  10. Detention of juvenile offenders.
  11. Care of dependent, defective and delinquent persons in various institutions.
  12. Support of military and other organizations.
11. CLERK OF THE COURTS
  1. Administrative work of Court of Oyer and Terminer and Quarter Sessions.
  2. Administrative work of Municipal Court.
12. PROTHONOTARY
  1. Administrative work of Courts of Common Pleas.
  2. Administrative work of Municipal Court.
13. DEPARTMENT OF CORONER
  1. Investigation of the cause of sudden, accidental and suspicious deaths.
  2. Operation and maintenance of Morgue.
14. DEPARTMENT OF RECORDER OF DEEDS
  1. Recording of deeds and mortgages.
  2. Copying old records.
15. DEPARTMENT OF REGISTER OF WILLS
  1. Recording and custody of wills.
  2. Administrative work of Orphans' Court.
16. DEPARTMENT OF DISTRICT ATTORNEY
  1. Prosecution of criminal offenders.
17. DEPARTMENT OF SHERIFF
  1. Administrative work of Courts of Common Pleas.
  2. Administrative work of Municipal Court.

(Continued)

20. DEPARTMENT OF PUBLIC SAFETY (DIRECTOR'S OFFICE)
  1. Executive.
  2. Regulation and licensing of employment agencies.
21. BUREAU OF POLICE
  1. Executive.
  2. Care of buildings, grounds and equipment.
  3. Safeguarding life and property.
  4. Pursuit of criminals and locating missing persons and property.
  5. Fire prevention.
22. BUREAU OF FIRE
  1. Executive.
  2. Fire protection.
  3. Care of structures and equipment used for fire protection.
23. BUREAU OF STEAM ENGINE AND BOILER INSPECTION
  1. Inspection of engines and boilers.
  2. Abatement of smoke nuisance.
24. BUREAU OF BUILDING INSPECTION
  1. Executive.
  2. Examination and approval of plans for buildings within city.
  3. Inspection of buildings.
25. BUREAU OF ELEVATOR INSPECTION
  1. Executive.
  2. Inspection and control of elevator service.
27. BUREAU OF CORRECTION
  1. Executive.
  2. Accounting and reporting.
  3. Detention of petty offenders.
28. ELECTRICAL BUREAU
  1. Executive.
  2. Elevator service, City Hall.
  3. Fire alarm and telephone service.
  4. Heat, light and power service.
  5. Electrical illumination of public buildings and streets.
  6. Installation and care of telephonic, telegraphic and electric signal instruments.
  7. Construction and care of municipal overhead electric lines.
  8. Construction and care of municipal underground electric lines.
30. DEPARTMENT OF PUBLIC HEALTH AND CHARITIES (DIRECTOR'S OFFICE)
  1. Executive.
31. BUREAU OF HEALTH
  1. Executive.
  2. Medical inspection.
  3. Child welfare work—child hygiene.
  4. Bacteriological and chemical analysis.
  5. Collection, tabulation and reporting vital statistics.
  6. Housing and sanitation.
  7. Food inspection.
  8. Isolation, care and treatment of contagious disease cases.

(Continued)

32. BUREAU OF CHARITIES
  1. Executive.
  2. Care of buildings and grounds.
  3. Transportation service.
  4. Production of foodstuffs.
  5. Manufacturing.
  6. Welfare work.
  7. Care of indigent.
  8. Care of sick.
  9. Care of insane.
40. DEPARTMENT OF PUBLIC WORKS (DIRECTOR'S OFFICE)
  1. Executive.
  2. Comprehensive plans for city's development.
41. BUREAU OF SURVEYS
  1. Executive.
  2. Recording and plotting.
  3. Engineering and surveying.
  4. City planning.
  5. Construction of sewers and inlets.
  6. Construction of bridges.
  7. Testing materials.
  8. Sewage disposal.
  9. Abolition of grade crossings.
42. BUREAU OF HIGHWAYS
  1. Executive.
  2. Accounting and reporting.
  3. Issuing permits and licenses.
  4. Inspection of construction, maintenance and care of streets.
  5. Supervision of construction, maintenance and care of streets.
  6. Construction and maintenance of streets.
  7. Care of streets and removal of all classes of waste.
  8. Supervision of care and maintenance of bridges and sewers.
  9. Opening and closing bridges.
  10. Maintenance of bridges.
  11. Maintenance of sewers.
  12. Construction and maintenance of meadow banks and water courses.
  13. Recording, etc., of underground structures.
  14. Elimination of mosquitoes.
43. BUREAU OF WATER
  1. Executive.
  2. Accounting and reporting.
  3. Engineering and construction.
  4. Repairs.
  5. Pumping.
  6. Filtration.
  7. Distribution.
  8. Meter installation.
  9. Collection of revenue.

(Continued)

44. BUREAU OF LIGHTING
  1. Furnishing street lights and inspection of lighting.
45. BUREAU OF GAS
  1. Inspection of gas and gas meters.
46. BUREAU OF CITY PROPERTY
  1. Executive and accounting.
  2. Planning and construction.
  3. Care of city buildings.
  4. Care of Independence Hall.
  5. Supervision of miscellaneous real estate.
- 50-51. DEPARTMENT OF COUNTY PRISONS
  50. Detention and isolation of criminals—Reed street prison.
  51. Detention and isolation of criminals—Convict prison, Holmesburg.
64. ART JURY
  1. Passing upon works of art, structures, etc.
70. COMMISSIONERS OF FAIRMOUNT PARK
  1. Care of parks and squares.
  2. Care of trees on city streets.
72. BOARD OF RECREATION
  1. Executive.
  2. Operation of playgrounds.
  3. Operation of bath houses.
  4. Operation of evening recreation centers.
80. DEPARTMENT OF WHARVES, DOCKS AND FERRIES
  1. Executive.
  2. Care and construction of wharves, piers and bulkheads.
  3. Inspection and patrol of the Delaware river front.
  4. Dredging and keeping harbor channel open.
85. DEPARTMENT OF CITY TRANSIT
  1. Executive.
  2. Accounting and reporting.
  3. Extension of transit facilities.
90. COMMISSIONERS OF SINKING FUND
  1. Administering funds for redemption of city loans and guarding bondholders' interests.
  2. Administering fire insurance fund.

(Concluded)

The above list represents the main functions of the several departments and offices of the city and county of Philadelphia as designated by acts of assembly and provided for by councils, but which will expand as new activities are imposed with the natural growth of the city.

These main functions form the basis for expense classification and may be analyzed for cost keeping in such detail as may be required for administrative purposes.

Following is presented an outline of the activities, together with symbol letters for the same for the bureau of correction of the department of public safety, as an illustration of the classification of expenses to be used by the various departments and bureaus in connection with the expense ledger:

## DETAIL EXPLANATION OF FUNCTIONAL CLASSIFICATION

## DEPARTMENT OF PUBLIC SAFETY—BUREAU OF CORRECTION

*Detention of Petty Offenders (General Function)*

## SYMBOL.

G	GENERAL SERVICE.
GC	Executive (C—Administrative control). Includes expenses of superintendent's and warden's offices and apartments.
GA	Accounts and records. Includes expenses of bookkeeping and statistical work.
GB	Care of buildings and grounds. Includes expenses of carpenter, painter, stonemason, plumber and tin-smith.
GH	Heat and power plant. Includes expenses of engineer and fireman.
GS	Store department. Includes expenses of storekeeper.
GT	General stables (T—Transportation). Includes expenses of house stables.
P	CARE AND SUPPORT OF PRISONERS
PG	Guarding and housing prisoners. Includes expenses of captain, lieutenant, guards, matrons, moral instructor, organist and bed and bedding.
PM	Medical care of prisoners. Includes expenses of physician, nurses and apothecary.
PF	Feeding prisoners. Includes expenses of kitchen and bakery.
PK	Clothing prisoners. Includes expenses of finished articles (clothing and shoes and repairs).
PT	Transportation of prisoners. Includes expenses of travel of officers and guards and moving prisoners.
PJ	Janitorial service. Includes expenses of labor and supplies used in cleaning.
M	MANUFACTURING AND OTHER PRODUCTION
MW	Manufacturing gas and by-products. Includes cost and expenses of manufacturing of gas and by-products.
MK	Manufacturing clothing and shoes. Includes cost and expenses of manufacturing clothing and shoes.
MT	Manufacturing tinware. Includes cost and expenses of labor and material in manufacturing tinware.
MS	Quarrying stone and gravel. Includes cost and expenses of operating quarry and gravel pit.
ML	Laundrying. Includes cost and expenses of operating laundry.
MB	Blacksmithing. Includes cost and expenses of blacksmithing.

## CHAPTER XV

### RATES OF DEPRECIATION

In this chapter are given the percentages of annual depreciation by kinds of property grouped in accordance with the object of expenditure classification. These percentages of the cost value of the property will furnish the annual amount that is charged to maintenance expense and credited to the reserve for depreciation. For the detail procedure in connection with the register and schedule of reserves for depreciation see Chapter VI, the depreciation detail ledger, Chapter VII, and the journal entries for depreciation, Chapter VIII.

The estimated life of the property owned by the City was determined in most cases by the various departments and bureaus, and reported to the city controller as a part of the last general inventory. The data thus made available is the consensus of opinion of the engineering and technical staffs in the City's employ, which were engaged in the preparation of the inventory.

The figures for the estimated life of the various kinds of property and the resulting annual percentage of depreciation were audited by comparison with such sources of information on the subject as were available. There is, however, a decided lack of published statements giving specifically the estimated life or the estimated depreciation for various kinds of property, and the experience that will be accumulated in the future as a result of a more general keeping of property accounts will go far to offset the present lack of information on the subject.

#### E 1000 HEAT, LIGHT, POWER, VENTILATION, REFRIGERATION, AND ELECTRICAL EQUIPMENT (OTHER THAN TELEPHONIC AND TELEGRAPHIC)

	ANNUAL RATE OF DEPRECIATION PER CENT.
E 1100 Hot air and steam producing apparatus:	
1110 Hot air furnaces .....	5
1120 Gas heaters .....	10
1130 Forges .....	10
1140 Steam boilers and generators .....	5
1150 Incinerators .....	5
1160 Stoves for heating only (for cook stoves see E 255) .....	10
1170 Electrical stoves and heaters .....	10
1200 Lighting equipment:	
1210 Interior lighting fixtures .....	5
1220 Exterior lighting fixtures (attached to buildings, etc.) .....	5
1230 Search lights .....	5
1240 Incandescent lamps and arc lights .....	33 1/3
1250 Portable lights .....	10
1260 Igniting devices .....	10
1300 Refrigerating equipment:	
1310 Freezing equipment .....	4
1320 Equipment for cooling other than freezing—	
1321 Refrigerators .....	10
1322 Ice boxes .....	10
1400 Steam and other elastic fluid engines:	
1410 Steam engines .....	5
1420 Internal combustion engines .....	10
1430 Gasoline engines .....	10
1500 Electrical generators and motors:	
1510 Dynamos and motors .....	5
1520 Dry and storage batteries .....	10
1530 Fans .....	10

(Continued)

### RATES OF DEPRECIATION

205

#### E 1000 HEAT, LIGHT, POWER, ETC., EQUIPMENT—Continued

	ANNUAL RATE OF DEPRECIATION PER CENT.
E 1600 Ventilating equipment .....	10
1700 Power, heat and cold transmitting equipment:	
1710 Pipes, valves, dampers, etc. ....	4
1720 Radiators .....	4
1730 Shafting, belting, pulleys, gearing, etc. ....	4
1740 Wiring .....	5
1750 Switchboards, panel board, and other electrical control apparatus .....	8 1/3
1800 Pumping and air-compressing equipment:	
1810 Bellows and other hand or foot blowers .....	10
1820 Mechanical blowers .....	10
1830 Auxiliary pumps for water and other liquids .....	4
1840 Air compressing pumps .....	4
1900 Miscellaneous heat, light and power equipment:	
1910 Smoke-stacks and chimneys .....	5
1920 Oil cans, firing tools, wrenches, etc. ....	16 2/3
1930 Tanks .....	4
1940 Patent stokers and fuel economizers .....	5
1960 Andirons and fenders for open fire places .....	4
1970 Coal screens .....	
1980 Bridges and scaffolding around engines and boilers .....	

#### E 2000 PRODUCTION AND CONSTRUCTION EQUIPMENT

E 2100 Equipment for farming and the extraction of raw materials or substances:	
2110 Mining and quarrying equipment .....	20
2120 Metal reducing, refining and mixing equipment .....	
2130 Lumbering equipment .....	
2140 Agricultural equipment .....	12 1/2
2150 Fishing, hunting and trapping equipment .....	10
2200 Metal working equipment:	
2210 Turning, planing, milling, stamping and engraving equipment .....	5
2220 Shearing, punching and drilling equipment .....	5
2230 Drawing and bending equipment .....	5
2240 Hammering, rolling and welding equipment .....	5
2270 Plumbers' tools and appliances .....	5
2280 Hand tools for metal working .....	5
2290 Miscellaneous metal working equipment .....	4
2300 Non-metallic mineral working equipment:	
2310 Stone crushing and cutting equipment .....	10
2340 Gypsum and cement working equipment .....	10
2350 Coke and illuminating gas preparing equipment .....	10
2360 Asphalt preparing equipment .....	10
2370 Asphalt paving plant and equipment .....	10
2400 Timber working equipment .....	10
2410 Sawing and cutting machinery .....	10
2420 Planing machinery .....	5
2430 Mitering and tonguing, grooving, etc., machinery .....	5
2450 Carpenters' and wood carvers' hand tools .....	10
2460 Carpenters' work benches .....	10
2500 Food preparing equipment (excluding household utensils):	
2510 Slaughtering, butchering and dry-curing equipment .....	10
2550 Cooking, roasting and baking other than canning .....	4
2600 Printing, and fibre cloth, and leather working equipment:	
2610 Printing, binding, and lithographing equipment .....	8 1/3
2620 Carding, spinning, weaving, knitting, netting and knotting equipment .....	5
2630 Sewing equipment .....	10
2640 Tanners' and leather workers' equipment .....	3 1/3

(Continued)

E 2000 PRODUCTION AND CONSTRUCTION EQUIPMENT— <i>Continued</i>		ANNUAL RATE OF DEPRECIATION PER CENT.
E 2700	Distilling and refining equipment:	
2720	Equipment for distilling and refining of water (filters), etc.....	8 1/3
2730	Equipment for refining petroleum and mineral oils (oil filters)....	8 1/3
2740	Equipment for distilling and refining crude drugs, etc.....	8 1/3
2800	Construction, repairing, and wrecking equipment:	
2810	Road making machinery.....	16 2/3
2850	Ditchers and dredgers.....	16 2/3
2860	Equipment for building, repairing and wrecking structures.....	12 1/2
2900	Special and miscellaneous production and construction equipment	16 2/3
E 3000 TRANSPORTING AND CONVEYING, AND TELEPHONIC AND TELEGRAPHIC EQUIPMENT		
E 3100	Steam and electric railroad equipment:	
3150	Couplings, fenders, and other mechanical appliances.....	4
3200	Traction engines and road vehicles:	
3220	Animal-hauled vehicles, sleighs and sleds.....	5
3230	Motor vehicles and parts, including auto tires.....	20
3240	Vehicles pushed, pulled or propelled by the occupant.....	20
3300	Floating equipment:	
3310	Steam and gas tugs, launches and yachts.....	3 1/3
3320	Police and fire boats.....	3 1/3
3330	Ice breakers.....	3 1/3
3340	Row boats, life boats and other small boats.....	10
3350	Pontoons, scows, etc.....	10
3360	Floating dredges.....	10
3400	Elevators and other equipment for lifting, hauling, conveying and otherwise moving persons or things:	
3410	Elevators and accessory apparatus.....	5
3420	Derricks, cranes and hoists.....	5
3430	Hand hoisting apparatus.....	12 1/2
3440	Coal hoisting apparatus.....	16 2/3
3450	Hospital stretchers.....	10
3470	Traveling ladders, etc.....	20
3500	Trunks, valises and other containers:	
3510	Trunks.....	5 1/2
3520	Valises.....	10
3530	Milk and other food cans.....	33 1/3
3540	Demijohns and casks, jars, etc.....	10
3550	Trays.....	20
3560	Cases for instruments.....	3 1/3
3570	Ash cans.....	33 1/3
3600	Fittings specially adapted for equipping boats, etc.:	
3610	Anchors.....	5
3620	Chains, hawsers, lines.....	5 1/2
3630	Boat hooks, grappling irons, etc.....	20
3640	Pipe line and fittings for floating dredges.....	20
3700	Telephonic and telegraphic equipment:	
3710	Telephonic equipment.....	5
3720	Telegraphic equipment.....	4
3730	Dictagraph.....	6 2/3
3800	Harness, saddlery, trappings and other stable and garage equip- ment:	
3810	Harness and collars.....	12 1/2
3820	Saddles.....	10
3830	Bridles, bits, halters, chains, boots, pads, spurs.....	12 1/2
3840	Blankets, robes, covers, weights.....	16 2/3
3850	Curry combs, clipping machines, feed cans, etc.....	33 1/3
3860	Slings and other equipment for handling sick and injured animals	8 1/3
3900	Special and miscellaneous transporting and conveying equipment:	
3910	Bale hooks and other aids to handling of boxes and packages.....	5

(Continued)

E 4000 FURNITURE AND FURNISHINGS, AND OTHER EQUIP- MENT FOR CONVENIENCE AND COMFORT; OFFICE AND STORE EQUIPMENT		ANNUAL RATE OF DEPRECIATION PER CENT.
E 4100	Chairs, beds and other supports for the body:	
4110	Chairs.....	4
4120	Stools.....	4
4130	Beds and cots (including bed springs).....	5 1/2
4140	Benches.....	5
4150	Couches, lounges and settees.....	8 1/3
4160	Foot stools.....	8 1/3
4170	Hammocks.....	25
4200	Tables, desks and other supports and depositories for commodities:	
4210	Tables.....	4
4220	Desks.....	4
4230	Cupboards, sideboards, counters, shelves.....	4
4240	Cabinets, cases, lockers, bins and boxes.....	4
4250	Bookcases.....	4
4260	Tabourets, stands, pedestals, copy holders.....	4
4270	Vaults and safes.....	2
4280	Bureaus and chiffoniers.....	4
4290	Miscellaneous supports and depositories for commodities.....	20
4300	Floor coverings:	
4310	Carpets and rugs.....	10
4320	Matings.....	25
4330	Linoleum.....	12 1/2
4340	Mats and treads.....	25
4400	Portiers, wall, window and furniture coverings, draperies and window shades:	
4410	Portiers.....	6 2/3
4420	Wall coverings.....	8 1/3
4430	Window curtains.....	8 1/3
4440	Furniture coverings.....	16 2/3
4450	Draperies.....	8 1/3
4460	Window shades.....	12 1/2
4470	Window poles.....	4
4500	Kitchen, dining room and household utensils and crockery.....	10
4600	Baths, lavatories, toilets and toilet accessories:	
4610	Bath tubs, shower baths and portable baths.....	3 1/3
4620	Lavatories, sinks and fountains.....	3 1/3
4630	Toilets and urinals.....	3 1/3
4640	Plumbing, pipes and other fittings.....	4
4650	Toilet accessories (hair dryer, toilet paper holder).....	4
4660	Bath room fittings.....	4
4670	Toilet or commode chairs.....	4
4680	Tonsorial equipment.....	4
4700	Bedding (exclusive of bed linen).....	8 1/3
4800	Office, library and store furniture and furnishings not otherwise classified:	
4810	Railings, etc.....	5
4820	Office machines and devices.....	12 1/2
4840	Court furniture, etc.....	5
4850	Telephone and election booths.....	5
4860	Ornamental furnishings, such as jardiniers, vases, and candelabra, statuary.....	4
4870	Annunciator and call systems.....	8 1/3
4880	Desk equipment (including receptacles and devices).....	12 1/2
4890	Store equipment.....	12 1/2
4900	Equipment for convenience and comfort:	
4910	Porch shades, awnings, blinds, etc.....	20
4920	Tents and portable houses.....	20
4940	Mirrors.....	10

(Continued)

E 4000 FURNITURE AND FURNISHINGS, ETC.—Continued		ANNUAL RATE OF DEPRECIATION PER CENT.
E 4900 Equipment for convenience and comfort—Continued:		
4950	Flags and covers for flags.....	20
4960	Window and door screens.....	20
4970	Gavels.....	5

#### E 5000 PROPERTY, AND LIFE PRESERVING AND CARETAKING EQUIPMENT

E 5100	Fire preventing and fighting equipment:	
5110	Pumping engines and water towers.....	3 2/3
5120	Chemical engines.....	4
5130	Hook and ladder trucks.....	3
5140	Hose carts and other supply wagons.....	3
5150	Fire hooks, nozzles and other fire fighting implements.....	4
5160	Hose and reels.....	20
5170	Hand grenades and other hand fire extinguishers.....	10
5180	Combination hose and chemical vehicles.....	5
5190	Miscellaneous fire preventing equipment (fire gongs).....	10
5200	Life saving equipment:	
5210	Marine life preservers.....	
5220	Fire life nets, and other equipment.....	10
5230	Danger signs.....	50
5300	Cleaning, renovating and polishing equipment:	
5310	Laundry equipment.....	8 1/3
5320	Pneumatic cleaners.....	20
5330	Carpet sweepers.....	20
5340	Insect sprayers.....	20
5350	Mop wringers.....	20
5380	Window cleaning safety belts.....	20
5390	Vermin traps.....	5
5400	Clipping, trimming, rolling, and watering equipment for lawn and garden:	
5410	Clipping.....	
5420	Trimming (lawn mower).....	12 1/2
5430	Rolling.....	3
5440	Watering.....	12 1/2
5450	Lawn and garden tools and implements, hose and reels.....	12 1/2
5460	Snow shovels, ice scrapers and planers, etc.....	12 1/2
5500	Equipment for protection of shipping:	
5510	Buoys.....	
5900	Special and miscellaneous property and care-taking equipment:	
5910	Step-ladders.....	12 1/2
5920	Iron stakes used in parks.....	10
5930	Iron gratings, etc.....	2

#### E 6000 EDUCATIONAL, SCIENTIFIC AND RECREATIONAL EQUIPMENT

E 6100	Educational equipment:	
6110	Library stock.....	5
6120	Art gallery stock.....	2
6160	Schoolroom equipment.....	4
6200	Scientific equipment:	
6210	Surgical and medical equipment.....	5
6220	Measuring instruments and accessories.....	5
6230	Weighing and metering apparatus.....	5
6240	Aids to the senses.....	5
6250	Photographing equipment.....	10
6270	Mechanical drafting devices.....	10

(Continued)

#### E 6000 EDUCATIONAL, SCIENTIFIC AND RECREATIONAL EQUIPMENT—Continued

E 6200 Scientific equipment—Continued:		ANNUAL RATE OF DEPRECIATION PER CENT.
6280	Laboratory equipment not classified.....	5
6300	Recreational equipment:	
6310	Musical instruments and accessories.....	3 1/3
6320	Stage equipment.....	20
6330	Picture exhibitors and accessory apparatus.....	5
6340	Gymnasium and playground equipment of a permanent nature....	8 1/3
6350	Air guns and other missile throwing apparatus (not internal combustion) and targets.....	8 1/3
6360	Games equipment.....	8 1/3
6900	Special and miscellaneous educational, scientific and recreational equipment.....	8 1/3

#### E 7000 POLICE AND MILITARY EQUIPMENT

E 7100	Police equipment:	
7110	Rifles, revolvers and other small arms.....	4
7120	Batons, night sticks, riot clubs, swords, etc.....	10
7130	Belts, badges, handcuffs.....	4
7190	Special and miscellaneous police equipment.....	4
7200	Military equipment.....	10

#### E 8000 LIVE STOCK (OTHER THAN STOCK PURCHASED FOR SLAUGHTER AND ZOOLOGICAL STOCK)

E 8100	Beasts of burden:	
8110	Horses.....	10
8120	Mules.....	8 1/3
8130	Donkeys and burros.....	8 1/3
8200	Produce-yielding animals:	
8210	Cows and heifers.....	12 1/2
8220	Bulls and bull calves.....	10
8230	Steers.....	12 1/2
8240	Sheep and goats.....	20
8250	Swine.....	20
8260	Poultry.....	20
8900	Special and miscellaneous live stock.....	10

#### E 9000 MISCELLANEOUS EQUIPMENT

E 9100	Office and store equipment other than furniture and furnishings:	
9110	Tobacco cutters.....	4
9130	Display apparatus.....	5
9200	Punitive and correctional equipment:	
9250	Whips.....	20
9300	Equipment for handling insane patients.....	5
9500	Signaling equipment.....	5
9600	Equipment for inspecting supplies (exclusive of construction work):	10
9610	Inspectors' badges.....	4

#### F STRUCTURES AND NON-STRUCTURAL IMPROVEMENTS

F 1000	Buildings:	
1100	Office buildings for administrative purposes.....	1
1200	Buildings used for operative purposes—	
1210	Buildings used for general operation (other than classified below), school houses, bath houses, crematories.....	1
1220	Buildings used for manufacture or horticulture.....	2
1230	Hospitals, asylums, prisons, etc.....	1
1300	Residences and other living quarters.....	1 2/3

(Continued)



F STRUCTURES AND NON-STRUCTURAL IMPROVEMENTS— <i>Continued</i>		ANNUAL RATE OF DEPRECIATION PER CENT.
F 1000	<b>Buildings—Continued:</b>	
1400	Churches, auditoriums, exhibition halls, museums, club houses and amusement places .....	1
1500	Stores .....	1 2/3
1600	Buildings used for storage purposes—	
1610	Storehouses .....	2
1620	Stables .....	4
1630	Garages .....	4
1640	Sheds and shelters .....	2
1700	Buildings used solely for the production of heat, light, power or refrigeration .....	1 2/3
1800	Sewage and drainage disposal plants.....	2 1/2
1900	Special and miscellaneous—	
1910	Toilets .....	4
1920	Stairways .....	4
1930	Water towers and stand pipes.....	4
2000	<b>Excavations, embankments and surfacings:</b>	
2100	Sewers, water mains, subways, etc.—	
2110	Sewers .....	1 1/3
2120	Water mains, etc. ....	1 1/3
2130	Subways and tunnels .....	1 1/3
2140	Conduits .....	1 1/3
2200	Artificial river and harbor channels and basins.	
2300	Pavements, roads, sidewalks and streets—	
2310	Pavements .....	4
2320	Roads .....	10
2330	Sidewalks .....	2
2340	Streets .....	2
2400	Filtration beds and galleries.....	3 1/3
2600	Naphtha street lamps and posts.....	4
2700	Wiring and necessary supports (including street lamps, signal systems) .....	4
3000	<b>Mines, quarries, borings, reservoirs, wells and cisterns:</b>	
3100	Reservoirs, basins, forebays, etc.....	3 1/3
3200	Wells .....	2
4000	<b>Retaining and restraining walls, dams, jetties, etc.:</b>	
4100	Dams .....	2
4200	Levees, riprap works, embankments along streams and water fronts	2
4400	Intake cribs and structures.....	2
4500	Retaining walls .....	2
4600	Bulkheads .....	2
5000	<b>Bridges and viaducts:</b>	
5100	Bridges .....	1
5200	Grade crossings (abolition of).....	2
5400	Elevated railways .....	1
6000	<b>Piers and wharves:</b>	
6100	Piers .....	3 1/3
6200	Wharves .....	2
7000	<b>Ornamental and commemorative structures, fences, trellises, etc.:</b>	
7100	Monuments, statuary, arches, gravestones.....	1/5
7400	Fountains .....	
7500	Fences .....	4
7600	Arbors, trellises, pergolas, flag poles, etc.....	5
7800	Fixed apparatus, and equipment for outdoor recreation purposes..	10
8000	<b>Non-structural improvements:</b>	
8100	Filling and terracing, grading.....	1
8200	Sodding and top soiling.....	1
8300	Horticultural improvements .....	1
8400	Razing structures and removing obstructions.....	1

(Concluded)

## INDEX

## INDEX

### A

- Abatement of expense, 169, 172, 173
  - of revenue, as a character of expense, 39
  - of revenue, in budget, 169, 172, 173
- Account, capital, accounts in general ledger for, 130
  - general, accounts in general ledger for, 129
- Accounting system, general description of, 1
- Accounts, credit in general ledger, 129-136
  - debit in general ledger, 129-136
  - fund, classification of, 1
  - fund, accounts in general ledger for, 130, 136
  - proprietary, classification of, 1
  - proprietary, accounts in general ledger for, 129
  - special and trust, accounts in general ledger for, 130
  - standard, for general ledger, 129-136
- Accounts receivable, as character of expenditure, 39
  - in budget, 169, 172, 173
  - journal entries for, 119, 127
  - ledger, 109
  - register and schedule of (income), 76, 94, 95
- Accrual, register of revenue, 75, 92, 93
- Activities of the city and county, 198
- Adjustment of vouchers by city controller, advice of, 14, 33
- Advances between accounts, 69
  - journal entries for, 126
- Advices of voucher adjustments, use of, 14, 33
- Appropriation, ledgers, 98, 111
  - monthly statement, 138, 142
- Appropriations, condition of, shown by fund balance sheet, 162, 163
  - journal entries for, 118, 123
- Approval of vouchers by officers, 14
- Assessments, as source of income, 56
- Asset and liability, revenues accrued and expenses incurred and fund system of accounting and reporting, object attained by, 1
- \* Assets, liabilities and reserves, journal entry for opening new set of books, 121, 123

### B

- Balance sheet, capital account, 158, 159
  - fund, 162, 163
  - general account, 156, 157
  - special and trust account, 160, 161
  - summary consolidated, 155

- Balance sheets, 153, 155-163
  - description and use of, 153
- Bookkeeping, double entry, 117
- Budget, explanation of terms used in, 168
  - forms, description and use of, 165
  - making, 164
  - municipal, 164
- Bureau of correction, functional classification of, 203

### C

- Capital account, accounts in general ledger for, 130
  - balance sheet, 158, 159
- Cards, used in mechanical tabulation, 34, 35
- Cash, ledger, 109
  - transactions, journal entry for, 120
  - transactions, monthly statement, 141, 152
  - transactions, register and schedule of, 76, 96, 97
- Central office of department or bureau, requisition on, 8
- Character, classification of expenditures by, 38
  - classification of income by, 54
  - of expenditure shown on voucher, 14
- Charges, as source of income, 56
- Checks on accuracy of trial balance, 154
- City and county of Philadelphia, organization units and functions or activities for, 198
- City controller, advice to department or bureau of voucher adjustment, 14, 33
  - can promptly obtain information through accounting system, 1
  - copy of order attached to voucher transmitted to, 9
  - copy of order, when issued, sent to, 10
  - monthly reports required by, 137
  - receives information from vouchers, 14
  - register and schedule of vouchers sent to, 70, 82
  - schedule of all registers to be sent to, 63
- Claimants' ledger, description and use of, 103, 113
- Classification of expenditures, 38
  - of income, 54
- Closing journal entries, 121, 127, 128
- Codes in mechanical tabulation, 34
- Comparative fund balance sheet, 162, 163
- Condition of funds, shown by summary reports, 153
- Consignee, copy of order as advice to, 10, 25, 26
  - office copy of order for, 10, 27
- Consolidated balance sheet, 155
- Contingencies, as character of expenditure, 49

Contract ledger, description and use of, 102, 112  
 Contract orders, description and use of, 9  
     no posting for, in appropriation ledger, 100  
 Contract reserves, register and schedule of reductions in, 72, 83, 84  
 Contract, monthly statement, 139, 143  
 Contract vouchers, 13, 14  
 Contracts, register and schedule of, description and use of, 64, 78, 79  
 Contributions, as character of expenditure, 48  
 Control over accuracy of accounts and reports, 3  
 Correction, bureau of, functional classification for, 203  
 Credit accounts, in general ledger, 130-136  
 Credit invoices or credit memoranda, use of, 13  
 Crops, as character of expenditure, 39

## D

Debit accounts in general ledger, 129-136  
 Debt, as character of income, 54  
 Deficit, as character of income, 55  
 Definitions of modern accounting terms, 3  
 Delivery slips in lieu of invoices, use of, 12  
 Departmental invoices, description and use of, 13  
 Depreciation, credit balance shows reserve for future replacements, 109  
     journal entry for monthly proportion of reserve for, 119, 127  
     monthly statement of, 141, 150  
     rates of, 204  
     reserve for, 188  
     reserve for, ledger, 108  
     reserve for, register and schedule of, 74, 90, 91  
 Detail general journal entries, 122  
 Detail ledgers, description and use of, 98  
     required for accounting system, 1  
 Documents, description and use of, 7  
     files of, constitute complete record of transactions, 2  
     files of, required for accounting system, 1  
     record in detail ledger account, 2  
     register and schedule of, 63  
     registers and schedules of, required for accounting system, 1  
     registration numerically, 2  
     revenue and receipt, 14  
     two entries from, 2  
 Donations, as source of income, 60  
 Double entry bookkeeping, 117  
 Duplicate and excess taxes, as character of income, 55

## E

Earnings of departments, as source of income, 56  
 Encumbrances, contract, from register of contracts, 64  
     contract, in appropriation ledger, 100

## Encumbrances—Continued

open market order, from register of orders, 64  
 open market order, in appropriation ledger, 100  
 open market order, use of requisition to set up, 65  
 Entries, general journal, description and use of, 117  
     two from each document, 2  
 Equipment, as an object of expenditure, 46  
     inter-departmental invoices for transfer of, 13  
     monthly statement of, 140, 148  
     shown in property ledger, 107  
 Escheats, as source of income, 59  
 Estimates, preparation of annual, 164  
 Expenditure, characters of, 38  
     object of, classification, 41  
 Expenditure voucher, description and use of, 13  
 Expenditures, classification of, 38  
     detail distribution of, 51-53  
     for repairs, debited to reserve for repairs, 109  
     for replacements, debited to reserve for depreciation, 109  
     in appropriation ledger, 99, 100  
     reconciliation of, 49, 50  
 Expense, as character of income, 54  
     average amount charged to, for repairs, 109  
     direct and miscellaneous, in budget, 165, 168, 172, 173, 182, 183  
     incurred, as character of expenditure, 38  
     incurred, monthly statement of, 139, 146  
     ledger, description and use of, 104, 114

## F

Financial condition, shown by summary reports, 153  
 Financial program, municipal, 164  
 Fines, as source of income, 59  
 Fixed charges, as character of expenditure, 48  
 Forfeits, as source of income, 59  
 Functional classification, for bureau of correction, 203  
 Functional use of property, shown in property ledger, 108  
 Functions and activities, 198  
 Functions, classification of expenditures by, 38  
     classification of income by, 54  
     of city and county of Philadelphia, 198  
 Fund accounts, nature of, 1  
     in general ledger, 130, 136  
 Fund balance sheets, 162, 163  
 Fund ledgers for appropriations, 98  
 Funding relations, as shown in fund accounts, 1  
 Funds, accounts in general ledger for, 130, 136  
     classification of expenditures by, 49  
     classification of income by, 62  
     in classification of fund accounts, 1

## G

General account, accounts in general ledger for, 129  
     balance sheet and operation accounts, 156, 157  
 General and loan funds, recapitulation in budget, 165, 170, 171, 180, 181  
 General fund, accounts in general ledger for, 130, 136  
     balance sheet, 162, 163  
 General journal, description and use of, 117  
 General ledger, contains summary accounts required in accounting system, 1  
     description and use of, 129  
     standard accounts for, 129-136  
 Gifts, as source of income, 60  
 Grants, as source of income, 60

## I

Income, classification of, 54  
     due and collectible, journal entry for, 119, 127  
     reconciliation of, with receipts, 62  
     register and schedule of accounts receivable, 76, 94, 95  
 Inspector, office copy of order for, 11, 28  
 Inter-departmental invoices, use of, 13  
 Inter-departmental services, register and schedule of, 73, 85-88  
 Interest, as source of income, 60  
 Inventories of property, 187  
 Inventory of equipment, including live stock, 191, 195  
     of land, structures and non-structural improvements, 188, 195  
     of property, to open property ledger, 107  
     of stores, when to take, 187  
 Investment of the city, analysis of, for general account, 156, 157  
 Investments, sale of, as source of income, 61  
 Invoices and payrolls, as elements of expense, 104  
     journal entry for, 119, 125  
     register and schedule of, 66, 81  
 Invoices, credit memorandum, 13  
     description and use of, 11  
     inter-departmental, 13  
     memorandum, 11  
     received from departments and bureaus by department of supplies, journal entry for, 120, 127  
     reconciliation with vouchers, 50  
     regularly rendered, 11  
     sent to department of supplies, journal entry for, 119  
     sent to department of supplies, register and schedule of, 69  
     "supplies," use of, 11

## J

Journal entries, description and use of, 117  
     detail, 122

## Journal Entries—Continued

detail, for closing at end of accounting period, 127  
     detail, for opening new set of books, 122  
     detail, monthly, 123  
     for voucher adjustments, 101  
     from register of cash transactions, 76  
     from register of contracts, 64  
     from register of income—accounts receivable, 76  
     from register of invoices and payrolls, 69  
     from register of invoices sent to department of supplies, 70  
     from register of orders, 66  
     from register of reductions in contract reserves, 73  
     from register of reserve for repairs and capital depreciation, 75  
     from register of revenue accrual, 75  
     from register of services received from other bureaus, 73  
     from register of services rendered other bureaus, 73  
     from register of vouchers sent to city controller, 72  
     from report of stores issued from storehouse, 74  
     outline, for closing at end of accounting period, 121  
     outline, for department of supplies, 120  
     outline, for opening new set of books, 121  
     outline, monthly, 118  
     printed, how used, 117  
     "safety" and "supplies" used in, to illustrate, 63  
 Journal, general, description and use of, 117

## L

Land, as an object of expenditure, 47  
     as a character of income, 54  
 Ledger, accounts receivable, description and use of, 109  
     appropriation, description and use of, 98  
     claimants', description and use of, 103  
     contract, description and use of, 102  
     expense, description and use of, 104  
     general, description and use of, 129  
     general, standard accounts for, 129  
     property, description and use of, 107  
     reserve for repairs and capital depreciation, 108  
     revenue, description and use of, 109  
     stores, description and use of, 106  
     work in progress, description and use of, 106  
 Ledgers, detail, description and use of, 98  
 Liabilities, current, in budget, 169, 172, 173  
 Loan funds, accounts in general ledger for, 131  
     balance sheet, 162, 163

## M

Manufactured goods, as character of expenditure, 39  
 Materials, as an object of expenditure, 43  
 Inter-departmental invoices used for transfer of, 13  
 Mechanical process, analysis of expenses incurred, property acquired and other expenditures by, 37  
 Mechanical tabulation, 34  
 Memoranda, credit, description and use of, 13  
 fund accounts, kept by departments for department of supplies appropriation accounts, 65  
 invoices, description and use of, 11  
 Method of operation, 1  
 Municipal financial program, 164

## O

Object of expenditure, shown on voucher, 14  
 Objects of expenditure, classification of expenditures by, 41  
 Obligations, as character of expenditure, 48  
 Office, copy of order retained in issuing, 10, 24  
 Opening new set of books, journal entries for, 121, 122  
 Open market orders, monthly statement, 138, 144  
 Operating bureau, standard accounts for, 129  
 outline general journal entries for, 118  
 Operating results, shown by summary reports, 153  
 shown in accounts, 1  
 Operation accounts, for general account, 157  
 use in summary reports, 153  
 Order, acknowledgment by contractor or vendor, 10, 22  
 consignee's advice, 10, 25, 26  
 consignee's office copy, 10, 27  
 contractor's and vendor's copy, 10, 21  
 controller's copy, 10, 23  
 inspector's office copy, 11, 28  
 office copy, 10, 24  
 original, 9, 20  
 Orders, contract, description and use of, 9  
 contract, no posting for, in appropriation ledger, 66  
 open market, description and use of, 9  
 liquidated, invoices to department of supplies, 70  
 liquidated, vouchers sent to city controller, 72  
 monthly statement of, 138, 144  
 register and schedule of, 64, 80  
 Organization units, classification of expenditures by, 38  
 classification of income by, 54  
 for city and county of Philadelphia, 198

## P

Payment of debt, as object of expenditure, 48  
 Payments arising from relation of agent, as character of expenditure, 49  
 in budget, 172, 173  
 Payroll and miscellaneous voucher, 13, 14  
 Payroll, uniform, for all bureaus, 14  
 Penalties, as source of income, 59  
 Pensions and retirement salaries, as character of expenditure, 49  
 Percentages of depreciation, 204  
 Postage and transportation, as character of expenditure, 39  
 Postings to general ledger from journal, 117  
 Printed journal entries, use of, 117  
 Property, acquisitions, as character of expenditure, 39  
 functional use of, 107  
 disposed of, journal entry for, 120, 127  
 disposition of, in property ledger, 107, 108  
 in budget, 165, 166, 169, 176, 177, 184, 185  
 inventories and transfers of, 187  
 inventory to open ledger, 107  
 ledger, description and use of, 107, 116  
 monthly statement, 140, 148  
 transferred to other bureaus, see services rendered  
 Proprietary accounts, description of, 1  
 in general ledger, 129, 131  
 Proprietary relations, as shown in accounts, 1  
 Public safety, department of, bureau of correction, functions used as illustration, 203  
 Public service enterprises, as source of income, 56  
 Punching cards, in mechanical tabulation, 34

## R

Rates of depreciation, 204  
 Receipts, reconciliation with income, 62  
 which increase indebtedness, as source of income, 61  
 Reconciliation of expenditures, 49, 50  
 of expenditures with vouchers, 50  
 of income, with receipts, 62  
 Recredits to appropriations, journal entry for, 118, 124  
 Reductions in contract reserves, register and schedule of, 72, 83, 84  
 Register of accounts receivable (income), 76, 94  
 of cash transactions, 76, 96  
 of contracts, 64, 78  
 of documents, 63  
 of documents required for accounting system, 1  
 of income—accounts receivable, 76, 94  
 of invoices and payrolls, 66, 81  
 of invoices sent to department of supplies, 69  
 of orders, 64, 80

## Register—Continued

of reductions in contract reserves, 72, 83  
 of reserves for repairs and depreciation, 74, 90  
 of revenue accruals, 75, 92  
 of services received from other bureaus, 73, 87  
 of services rendered other bureaus, 73, 85  
 of vouchers sent to city controller, 70, 82  
 Rents, as source of income, 60  
 Repairs and replacements, as character of expenditure, 39  
 Repairs, average amount charged to expense, 108, 109  
 expenditures for, debited to reserve, 108, 109  
 in budget, 165, 168, 174, 175, 184, 185  
 journal entry for monthly proportion of reserve for, 119, 127  
 ledger, reserve for, 108  
 monthly statement of, 141, 149  
 register and schedule of reserve for, 74, 90, 91  
 reserve for, 188  
 reserve for, as an element of expense, 104  
 Replacements, expenditures debited to reserve for depreciation, 108  
 in budget, 165, 166, 169, 176, 177, 184, 185  
 reserve for future, shown by credit balance in reserve for depreciation, 108, 109  
 Reports, from detail ledgers required in accounting system, 1  
 monthly, to city controller from detail ledgers, 137  
 of stores issued from storehouses, 74  
 summary, from general ledger, 153, 155-163  
 summary, required in accounting system, 1  
 Requisitions, on another department or bureau, 9  
 on central office of a department, 8  
 on department of supplies, 8, 16-19  
 on storekeeper, 7  
 Reserve, for repairs as an element of expense, 104  
 for repairs and depreciation, ledger, 108  
 for repairs and depreciation, register and schedule of, 74, 90  
 for unaccrued revenues, as character of income, 55  
 Responsibility, located by permanent record of transaction, 2  
 Revenue, accruals, journal entry for, 119, 127  
 as character of income, 55  
 ledger, 109  
 monthly statement, 141, 151  
 register and schedule of, 75, 92, 93  
 Revenues accrued, not due, as character of income, 54  
 Rights of action as object of expenditure, 48

## S

"Safety," used in journal entries to illustrate, 63, 122  
 Salaries, wages and personal services, as character of expenditure, 41

Salary supporting schedule in budget, 165, 167, 178, 179  
 Sale of property, as source of income, 61  
 Schedule of accounts receivable (income), 76, 95  
 of cash transactions, 76, 97  
 of contracts, 64, 79  
 of documents for city controller, 63  
 of documents required for accounting system, 1  
 of income—accounts receivable, 76, 95  
 of invoices and payrolls, 66, 81  
 of invoices sent to department of supplies, 69  
 of orders, 64, 80  
 of reductions in contract reserves, 72, 84  
 of reserves for repairs and depreciation, 74, 91  
 of revenue accruals, 75, 93  
 of services received from other bureaus, 73, 88  
 of services rendered other bureaus, 73, 86  
 of vouchers sent to city controller, 70, 82  
 Schedules of balances and totals (monthly reports), 137  
 Secondary classification of expenditures, 40  
 Securities, as character of income, 54  
 Services, other than personal, 41  
 received from other bureaus, 120, 125  
 received from other bureaus, register and schedule of, 73, 87, 88  
 rendered other bureaus, 39  
 rendered other bureaus, journal entry for, 120, 125  
 rendered other bureaus, register and schedule of, 73, 85, 86  
 Sorting operation in mechanical tabulation, 36  
 Source, classification of income by, 55  
 Special and trust, account balance sheet, 160, 161  
 accounts in general ledger for, 130  
 fund balance sheet, 162, 163  
 funds, accounts for, 131  
 funds, in budget, 165, 166  
 transactions, provision for, 63  
 Statement, appropriation, 137, 142  
 cash transactions, 141, 152  
 contract, 138, 143  
 depreciation, 141, 150  
 expenses incurred, 139, 146  
 open market order, 138, 144  
 properties and equipment, 140, 148  
 repairs, 141, 149  
 revenue, 141, 151  
 stores, 139, 145  
 work in progress, 140, 147  
 Statements, summary, from general ledger, 153, 155-163  
 Storehouse, monthly report of stores issued from, 74, 89  
 Storekeeper, requisition on, use of, 7  
 Stores, as character of expenditure, 39  
 balances in budget, 165, 169, 174, 175, 182, 183  
 issued, as an element of expense, 104  
 issued from storehouses, monthly report of, 74, 89

*Stores—Continued*

- issued, journal entry for, 118, 124
- ledger, 106, 115
- monthly statement, 139, 145
- Structures, as object of expenditure, 47
- Subventions, as source of income, 60
- Summary of transactions secured by general ledger accounts, 3
- Summary reports, from general ledger, 153, 155-161
- Supplies, as an object of expenditure, 43
- Supplies, department of, accounts deal largely with appropriations, 2
  - budget, 165, 166, 180-185
  - procedure in register of invoices and payrolls, 67
  - procedure in register and schedule of orders, 64
  - procedure in register and schedule of vouchers sent to city controller, 70
  - receives from city controller duplicate of advice of voucher adjustment, 15
  - register and schedule of invoices sent to, 69
  - requires two copies of register and schedule, 64
  - requisition on, 8
  - standard outline monthly journal entries for, 120
  - to send copy of register of vouchers to department, 70
  - voucher adjustments in appropriation ledger of, 101
  - will register and schedule all orders issued for departments, 64
- "Supplies" invoices, description and use of, 11
- to be sent to department of supplies, 69
- "Supplies," used in journal entries to illustrate, 63, 122
- Surplus, as character of income, 55

## T

- Tabulating and printing, 36
- Tabulation, mechanical, 36
- Taxes, as source of income, 55
- Terms used in the budget, explanation of, 168

- Transfer of equipment, 192, 196
  - of stores, 194, 197
- Transfers of property, 187-192
- Trial balance, checks on the accuracy of, 154
  - gives totals which prove accuracy, 3
  - used in preparing summary statements, 153
- Trial balances, use of, 153
- Trust accounts, accounts in general ledger for, 130
- Trust funds, accounts for, 131

## U

- Unencumbered balances shown in appropriation ledger, 100
- Unexpended balances shown in appropriation ledger, 100
- Uniformity of treatment to similar accounts, 3

## V

- Vendor, acknowledgment of receipt of order, 10, 22
  - copy of order retained by, 10, 25
- Voucher adjustment, advice of, 14, 23
  - procedure in operating department, 101
  - taken into appropriation ledger, 101
- Vouchers, certification of, by officers, 14
  - classification of, 13
  - expenditure, 13, 29-32
  - reconciliation with expenditures, 50
  - reconciliation with invoices, 50
  - sent to city controller, journal entry for, 119, 126
  - sent to city controller, register and schedule of, 70, 82
  - to give information to city controller, 14
  - to show character of expenditure, 14
  - to show object of expenditure, 14

## W

- Work in progress, as character of expenditure, 39
  - distributed, as an element of expense, 104
- distributed, journal entry for, 118, 125
- ledger, 106
- monthly statement, 140, 147

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